FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Europe

FBIS-EEU-94-083
Friday
29 April 1994

Daily Report
East Europe

FBIS-EEU-94-083 **CONTENTS** *29 April 1994*

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

ALBANIA

- Anti-Albanian 'Greek State Policy' Criticized *[REPUBLIKA 24 Apr]* 1

BULGARIA

- NSD Reacts to Berov Statement; Dissent Noted *[Sofia Radio]* 2
- Commentary Views Cabinet Reshuffle *[KONTINENT 26 Apr]* 2
- Defense Minister Views Resignation Demands *[NOVINI 5 25 Apr]* 2
- Deputy Defense Minister Answers Critics *[DUMA 22 Apr]* 3
- Former VMRO Leader Views FYROM Question *[KONTINENT 22 Apr]* 4
- VMRO-SMD Official Examines Views on FYROM *[TRUD 25 Apr]* 6
- Transportation Agreement Signed With Iran *[Sofia Radio]* 7

SLOVAKIA

- Zhirinovskiy Said Planning Visit in May *[LIDOVE NOVINY 27 Apr]* 8
- Moravcik Speech to DEUS Assembly Reported *[SME 25 Apr]* 8
- Kovac on Minorities, Relations With Hungary *[Budapest Radio]* 9
- Poll: 54 Percent Trust Moravcik's Government *[SME 26 Apr]* 10
- SNS Returns to Traditional National Principle *[NARODNA OBRODA 25 Apr]* 10

HUNGARY

- Media Situation on Eve of Elections Analyzed *[FIGYELO 31 Mar]* 11
- Government's Accomplishments Outlined, Defended *[HETI MAGYARORSZAG 1 Apr]* 12
- KDNP Expert Views Budget Deficit, Taxation *[MAGYAR NEMZET 26 Apr]* 14
- 'Improved' Position of Christian Democrats Noted *[HETI VILAGGAZDASAG 19 Mar]* 15
- SZDSZ Economist Outlines Fiscal Priorities *[MAGYAR NEMZET 26 Apr]* 17
- Csurka Sees 'Quiet Sympathy' for MIEP *[MAGYAR HIRLAP 27 Apr]* 18
- Unemployment Rate Declines; Viewed as 'Stable' *[NEPSZABADSAG 25 Mar]* 19
- Bank Official Expects Inflation To Drop *[NEPSZABADSAG 25 Mar]* 19
- Radio, TV Chiefs on Financial Situation *[PESTI HIRLAP 26-27 Mar]* 21

POLAND

- Further Reportage on Continuing Strike 22
  - Walesa To Support Pawlak *[Warsaw Radio]* 22
  - Government 'Will Not Give In' *[PAP]* 22
  - Striking Miners Put Forward Demands *[PAP]* 22
  - Miners Extend Ultimatum Deadline *[PAP]* 22
  - Talks With Brown Coal Miners Break Down *[PAP]* 22
  - Supplies to Power Stations Suspended *[PAP]* 23
  - Politicians, Activists on Impact *[RZECZPOSPOLITA 28 Apr]* 23
- Olechowski Outlines Foreign Policy Concerns *[PAP]* 23
- Olechowski, Official Cited on Foreign Policy *[RZECZPOSPOLITA 29 Apr]* 24
- Polls: Less Approval for Walesa, More for Pawlak *[RZECZPOSPOLITA 28 Apr]* 24
- Krzaklewski on Solidarity's Political Role *[DZIENNIK BALTYCKI 21 Apr]* 25
- New Minister Backs Tough Anti-Inflation Policy *[Warsaw TV]* 28
- Changes in Main Customs Office *[GAZETA PRZEMYSLOWA I HANDLOWA, etc.]* 28

ROMANIA

- Former King Cancels Easter Visit *[Bucharest Radio]* 30
- PDSR, PD Representatives on Joint Talks *[AZI 7 Apr]* 30

BOSNIA-HERZEGOVINA

Negotiation Group Begins Talks With Karadzic *[TANJUG]* 32
    Group Meets with General Rose *[AFP]* 32
Silajdzic Briefs Media on Talks With Rose *[Sarajevo Radio]* 32
Izetbegovic Sets Two Conditions for Settlement *[Sarajevo Radio]* 33
Serbs Reportedly 'Entrenching' in Gorazde *[Sarajevo Radio]* 33
Serbs Reportedly Preparing Offensive on Brcko *[Sarajevo Radio]* 34
    UNPROFOR 'Worried' About Brcko *[AFP]* 34
Serbs Prevent Aid Convoy From Reaching Gorazde *[AFP]* 34
UNICEF Spokesman on Conditions in Gorazde *[AFP]* 35
Croatia Supports Lifting of Arms Embargo *[Sarajevo Radio]* 35
Croatia Reportedly Preparing Attack in North *[TANJUG]* 35
Swedish UN Soldier Injured in Sarajevo *[AFP]* 36
Croats Urge Muslims To Release POW's *[Zagreb Radio]* 36
Delic Views Army's Military Progress *[OSLOBODJENJE 22 Apr]* 36
UN Military Observer Head Discusses Gorazde *[Rotterdam NRC HANDELSBLAD 27 Apr]* 39

CROATIA

Serbs To Withdraw Heavy Artillery by 1 May *[Zagreb Radio]* 41
Sarinic: Serbs Not Complying With Agreement *[Zagreb Radio]* 41
Tudjman Meets With U.S. Ambassador in Zagreb *[Zagreb Radio]* 41
Russian Envoy Visits Gospic, Views Cease-Fire *[Zagreb Radio]* 42
Mesic Discusses New Party, Tudjman Conflict *[NOVI LIST 21 Apr]* 42
Assembly Chairman Leaves for Brussels *[Zagreb Radio]* 46
Internal Affairs Ministry Finds Explosives *[Zagreb TV]* 46
Ω Opposition Reacts to Croat-Serb Agreement *[VJESNIK 31 Mar, etc.]* 46
Halting of TV Programs, Role of Media Discussed *[DANAS 29 Mar]* 47

THE FORMER YUGOSLAVIA REPUBLIC OF MACEDONIA

Language Issue Delays Bulgarian Treaties *[TANJUG]* 50
Economy Experiences Fall in Manufacturing Areas *[TANJUG]* 50
Budget Amounts to 1.2 Billion German Marks *[MIC 26 Apr]* 50
Prices in Mar Rose 2.6 Percent *[MILS-NEWS 27 Apr]* 51
Tirana's Support For PDP Examined *[VECER 27 Apr]* 51

SLOVENIA

Peterle on Relations With Italy, Croatia *[Ljubljana Radio]* 52

YUGOSLAVIA

Federal

Economic Expert Views Post-Sanctions Prospects *[TANJUG]* 53
TANJUG Cites Moscow Radio Praising Belgrade 53
General Sees Crisis as 'Historic Chance' *[NIN 22 Apr]* 53

Serbia

Radical Party Abolishes Chetnik Movement *[TANJUG]* 57
Reasons Given for Low Flour Prices *[POLITIKA 5 Apr]* 57
Implementation of Greater Serbia Plan Viewed *[REPUBLIKA 31 Mar]* 58
Development Plans for Industry Detailed *[POLITIKA 6 Apr]* 59

Kosovo

CSCE 'Very Concerned' Over Human Rights *[AFP]* 60

Anti-Albanian 'Greek State Policy' Criticized

AU2804122494 Tirana REPUBLIKA in Albanian 24 Apr 94 p 1

[Commentary by Ylli Rakipi: "We Should Tell Greece Everything We Think"]

[Text] "When you shake hands with a Greek," as the English saying goes, "you need to count your fingers afterwards." Given that such words come from a distant island, one can imagine what the Albanians have to say about their ancient neighbor—a neighbor who historically has only thought about how to tear his neighbor to pieces! Lately, particularly now, the Hellenic nature has become more cruel and is being manifested to its full extent. It has been proclaimed on the pages of newspapers and at mass rallies, from congress rostrums and in diplomatic corridors, at paramilitary commando camps and at holy altars. In all these places the Hellenic nature shrieks.

The term "Greek chauvinist circles" is by now outdated. The term "certain circles" is also lackluster. The madness of the senile Sebastiano [ethnic Greek head of the Albanian Orthodox church] can no longer be called simply madness. The anti-Albanian activities of the criminal Omonia organization, the killing of Albanians while they sleep in the night or by a stab in the back; the maltreatment of the Albanian refugees—all these and other reported or unreported things show that the efforts to Hellenize Albania have become Greek state policy. Hundreds of anti-Albanian bulletins, books, maps, and calendars are being published. Dozens of mass protest rallies are being staged to call for the liberation of Vorio-Epirus. All these things are taking place in Greece, but the Greek Government claims to know nothing about them. The holy Greek state denies any responsibility for the paramilitary groups who cross the border to kill Albanians at night (as if they were not soldiers, but a cloud of rain passing from Greece into Albania). The Greek state knows nothing and disclaims any responsibility for what is going on and what is being engineered in Greece against Albania and the Albanians.

However, does the Greek state know what the 50,000 pampered Albanian Greeks are doing in Albania? Or what the Omonia people and the men of God, the priests, are doing? Even these things are not known to the Greek state. It happens perhaps because governing the European Community has given great problems and concerns to the Greek state!

Let us then remind the very busy Greek state that a good part of the Greek minority in Albania, who are coddled by the Albanian state and people, illegally distribute their books, bulletins, appeals, and calendars, all calling for Vorio-Epirus to be liberated. Let the Greek statesmen know that Omonia is a criminal organization that pursues anticonstitutional and anti-Albanian activities! Let them learn that the angels of the Orthodox church in Albania want it to be a solely Greek Church! All these things must be taught to the Greek statesmen. They must be taught, although they are already aware of such things. First and foremost they must be taught that the 40-50,000 Greek immigrants who came to Albania to earn a crust of bread can never Hellenize this country.

"When you shake hands with a Greek, count your fingers afterward," as the English say.

NSD Reacts to Berov Statement; Dissent Noted

AU2804160894 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 28 Apr 94

[Text] The declaration on the government's intentions until the end of the year, presented by Prime Minister Lyuben Berov in parliament, the subsequent ultimatum-like statements of the Bulgarian Socialist Party [BSP], the attempts to apply pressure to effect certain personnel and structural changes in the cabinet, and the attempts to blame specific members of the cabinet for the situation, especially Deputy Prime Minister Karabashev, only demonstrate political ambitions aimed at implementing narrow party interests. This is pointed out in a declaration of the parliamentary faction of the New Alliance for Democracy [NSD], sent to BTA by its Cochairman Stefan Bozhilov.

According to the document, the NSD will not participate in the talks on structural and personnel changes in the cabinet.

Professor Petur Markov, member of the NSD parliamentary faction, told a BTA correspondent that this declaration reflects the opinion of only a part of the NSD parliamentarians. He said he does not support the declaration.

Commentary Views Cabinet Reshuffle

AU2804143494 Sofia KONTINENT in Bulgarian 26 Apr 94 p 8

[Commentary by Genka Markova: "Reshuffle With Unusual Logic"]

[Text] Boyko Noev resigned as deputy minister of defense on military-political issues, and thus the first resignation of Berov's cabinet materialized on Monday [25 April].

At about the same time, at the trade-political around-the-clock meetings related to reshuffling the cabinet, it was confirmed that a third deputy prime minister in charge of monitoring the so-called power ministries is being conceived. Thus it became clear that the demands of the forces that support the government have two main directions—the first is directly related to the ministerial posts in industry and trade, the other—to the army and certain aspects of our foreign policy.

The logic of the changes in the government really is strange. It puts the stress on the economic bloc and the power ministries, while at the same time the claims of the main political forces—the Bulgarian Socialist Party [BSP], the New Alliance for Democracy [NSD], and the Movement for Rights and Freedoms [DPS]—show beyond any doubt that it is the government's social policy that is the most vulnerable sphere. This government and this social minister—Evgeni Matinchev—did practically everything to stop the social dialogue with the trade unions and make it meaningless. In addition, the budget wages of 600,000 people were indefinitely frozen. The consumer-goods prices reached incredible heights. Matinchev and [Finance Minister] Stoyan Aleksandrov refuse to do anything under the convenient cover of market economy. By this, I mean market economy as they understand it. The experts remind us all the time that speculations have nothing in common with the market. However, it appears that this is not a sufficient argument to request the resignation of the first deputy prime minister, acting Prime Minister Evgeni Matinchev.

The so-called political consultations related to basically reshuffling the cabinet are actually not the expression of some striving to work out a new formula through which the country will really be ruled by a strong executive power. The basic goal of those consultations is to redistribute the ministerial posts so that they will correspond to the newly announced claims of the political forces that support the government. The BSP, DPS, and NSD are trying to hide all this behind certain tragicomic differences as to what Professor Berov will present at the National Assembly on 27 April—first the program and the then the cabinet's structure, or the two things together.

Defense Minister Views Resignation Demands

AU2804143594 Sofia NOVINI 5 in Bulgarian 25 Apr 94 pp 1, 3

[Interview with Defense Minister Valentin Aleksandrov by Simeon Danevski; place and date not given: "Valentin Aleksandrov: 'I Am Not Afraid To Lose My Post....'"]

[Text] [Danevski] Mr. Aleksandrov, are you sure that a certain party is demanding your resignation?

[Aleksandrov] I have this impression, that my resignation is being demanded.

[Danevski] An impression is one thing; facts are something completely different.

[Aleksandrov] I do not have facts. Officially, no one has spoken with me on this matter. I learn everything from the mass media. Anyway, there will be nothing terrible if I leave my post.

[Danevski] Is your conflict with General Lyuben Petrov really so deep?

[Aleksandrov] There is no conflict at all. There was a dispute whether those officers who must retire should do this now or in the fall.

[Danevski] What was your opinion?

[Aleksandrov] I had the opinion that we should not touch them until the fall, or until the Defense Bill is enacted.

[Danevski] Do you accept President Zhelev's accusation that the Bulgarian Socialist Party [BSP] is responsible for the small military budget?

[Aleksandrov] I cannot comment on this statement.

[Danevski] Is it true that you demanded a small Bulgarian Army?

[Aleksandrov] It is the parliament that determines the size of the Army. I only said that, with the amount of money we received, we can provide food, clothing, and footwear for only a certain number of troops.

[Danevski] If you think so, is there not the danger of having no army at all, because we do not have any money for it?

[Aleksandrov] This is none of my business. The minister of defense does not provide funds. He only spends them.

[Danevski] Did you want to create a mixed Bulgarian-Turkish battalion that would establish peace in Bosnia?

[Aleksandrov] A noted Bulgarian politician—Mr. Pasi—advocated the establishment of such a battalion. Do not attribute his ideas to me, especially since this is a matter for the unforeseeable future. I do not commit myself to such ideas and claims.

[Danevski] Perhaps he was only testing the idea?

[Aleksandrov] It is fully possible.

Deputy Defense Minister Answers Critics

AU2804124494 Sofia DUMA in Bulgarian 22 Apr 94 p 8

[Interview with Deputy Defense Minister Boyko Noev by Stiliyan Ivanov; place and date not given: "Structural Reforms in the Army Are Essential"]

[Text] [Noev] Allow me first of all to thank you for giving me a chance to express my views on issues that have become very topical lately. Regarding some of these issues, certain people have even directed personal accusations against me, charges that I consider neither fair nor correct.

[Ivanov] Is there any conflict between the civil Defense Ministry leadership and the General Staff?

[Noev] Certain differences do exist in our approaches to resolving the existing problems, but they are far from being as dramatic as some people represent.

The bitter pill of the budget served as a catalyst for speeding up the reforms. The need for reforms has been growing for several years and now it has reached a peak. All sociological studies show that tension has accumulated in the Army, and those who are charged with specific responsibilities in the defense field strongly demand that something must be done. The differences mainly concern the speed of the reforms. The delay in passing the new Armed Forces Act and the shortage of funds should not, in my view, provide pretexts for inaction. However, some action is already taking place, despite a certain cooling in relations between certain individuals.

In the final analysis, I personally regard the differences in views that are developing as a condition for more correct decisions.

[Ivanov] You are singled out for stating figures for redundancies in the Army that are not only arousing anxiety in the officer corps but also conflict with what Defense Minister Aleksandrov has said. Where does the truth lie, in your opinion?

[Noev] I have never publicly presented any figures on army redundancies, but the answers that I gave at the closed meeting of the Parliamentary National Security Commission have unfortunately been leaked in distorted form to the press. At the present moment we are only talking about retirements, and these moreover affect only very limited numbers of officers. Minister Aleksandrov lucidly explained what it is all about. There will be no pensioning of majors and lieutenant colonels before September, when the new structures and staffing levels, on which the General Staff is drafting a proposal, are to be approved under Article 71 of the Defense and Armed Forces Act. Later, the General Staff will propose which officers may make up the relevant staff levels and which not. Regarding officers with the rank of colonel, it must be made perfectly clear that there is no question of pensioning off military doctors—about 200 of them, or officers on the teaching staffs of the higher military educational establishments, or of suspending military education. Nor do the redundancies affect officers in leading posts with direct responsibilities for combat readiness and the functioning of the General Staff as "the Army's brain." There are only 83 such officers in all. However, of the 921 officers of pensionable age, excluding all those holding top positions, about 450 of them will remain in various other posts. They cannot in any way help to resolve the problem of the shortage of young officers at the lower levels of the hierarchy, at platoon and company level. The opposite is true. However, for inexplicable reasons, a certain person is fighting like a lion to keep them in military service, using all available means, including some criteria that I regard as dishonorable. This is being done to the detriment of army morale, at the expense of fellow officers, and, in the final analysis, at the taxpayer's expense. One asks: Why do this just now? Why not wait and see what happens? However, the other side may counter by saying: What is there to wait for? How long does one have to wait? Why put it off yet again?

Certain persons are also deliberately manipulating the problem of the monetary compensation that is envisaged. I can state quite categorically that funds for this exist in the budget. If a decision in principle is adopted, every colonel who goes into the reserve may receive 18 monthly salaries in cash, which means roughly 170,000 leva. Even after the deduction of tax, they will be left with a considerable amount of money for our conditions. This amount, if applied in the simplest way, can produce 5,000 leva a month in bank interest, Let the others say if this is "throwing people onto the street." However, ethical standards are also needed for this. This also forms part of the truth.

[Ivanov] What do you think about a 55,000-strong army?

[Noev] I have already told a large-circulation daily that this is an assessment made by a top military leader who was instructed to investigate what a fully combat-ready army would look like as regards personnel strength within the strictures of the 13 billion leva defense budget. I will have nothing to do with such quantitative assessments. Interestingly, however, they coincide with analyses made by authoritative specialist institutes.

[Ivanov] One has the impression that you are at loggerheads with the deputies in the Parliamentary National Security Commission. What are the reasons for this?

[Noev] I respect the deputies in principle. At sessions of the relevant parliament commissions I have been asked questions that I gave frank answers to, because I believe that the more clearly one defines one's position, the better is one understood. It is another matter whether every one of my answers was to their liking and whether my answer was the only right one. However, that is what discussions are for. I accept my partners in discussions as collaborators with whom we all resolve national security problems together, within the limits of our responsibilities. No one gains from shilly-shallying.

[Ivanov] What do you think should be done to improve officers' motivation?

[Noev] Two groups of factors mainly affect motivation: First, pay and living conditions, and second, the opportunities for professional and personal fulfillment. Regarding the former, everything is being done within the strictures of the budget, and pay will rise as the state's macroeconomic parameters improve. There are a number of possibilities for new decisions on social and everyday issues. We are working on them, including housing policy, and I hope to receive proposals soon. Regarding the latter, one of our top priority tasks is to adopt a principled cadre policy with clearly defined opportunities for developing a career and concluding it in a worthy manner. This is precisely what the Defense Ministry leadership is attempting, I emphasize attempting, to do right now.

The officer corps in sum total represents the most disciplined and educated stratum of our society, and serves as a bulwark for social stability. It is of key importance in the difficult conditions of the transition. The officers deserve recognition from society for this, and such recognition is itself a strong source of motivation for them.

[Ivanov] When will the structural reforms begin in the Army?

[Noev] They should start as soon as possible, and I believe that they will be to the troops' benefit.

[Ivanov] People have singled you out as President Zhelev's man in the Defense Ministry. What is your comment on this?

[Noev] The president has spoken with me on only one occasion. The conversation was brief, but very useful for me. I leave it to the observers to assess who is who's man. Sometimes, such assessments are put forward to achieve certain aims at a specific political juncture.

[Ivanov] To return to the issue of the UN convoy, who was right?

[Noev] On this issue we have many people who say they were right. As far as I am concerned, I think that I was right. In principle, this was a matter within the powers of the government, and I put forward my arguments to this effect in Parliament. Also right were those people—which, in fact, included all the deputies, from all the political forces—who said that, in the current specific situation, when public opinion is highly sensitive, this issue goes beyond procedural and technical considerations. Consultations should have been held in advance, to show respect for the right of every political force to state its position in a timely way in a constructive environment, without descending to the level of politicizing the issue. In my opinion, it was an important and useful lesson for everyone who had a connection with the affair.

Former VMRO Leader Views FYROM Question

AU2604161894 Sofia KONTINENT in Bulgarian
22 Apr 94 p 9

[Interview with Dimitur Gotsev, former leader of the Internal Macedonian Revolutionary Organization-Union of Macedonian Societies, by Nadelina Aneva; place and date not given: "Border Between Macedonia and Bulgaria Should Have Been Formally Recognized Long Ago"]

[Text] Docent Dimitur Gotsev is a lecturer at the History Faculty of Sofia University and deputy president of the Macedonian Scientific Institute in Sofia. In 1990 the VMRO-SMD [Internal Macedonian Revolutionary Organization-Union of Macedonian Societies] was restored and he was its leader until 30 March 1992. He is married with two children and lives in Sofia.

[Aneva] Mr. Gotsev, despite the position adopted by the Parliamentary National Security Commission, the Ilinden OMO [United Macedonian Organization] is thinking of holding its usual convention at the Rozhen Monastery. Is the Bulgarian Government helpless in this case?

[Gotsev] The lack of any reaction by the Bulgarian institutions cannot be justified by ignorance, incapacity, or weakness in addressing this phenomenon. The Bulgarian people are clearly aware that people outside the country are forcing our politicians to tolerate this movement in Bulgaria. The so-called supporters of Ilinden appeared in public after 10 November 1989. They are dangerous and at the same time pathetic because, despite their conspiratorial origins, they are capable of destroying our age-old traditions.

[Aneva] Who is responsible for our politicians' inaction?

[Gotsev] Before 10 November 1989 everything came from Russia, which prohibited and refused us leave us to tell the truth about the Macedonian question because it had its own specific interests in the Balkans. Today, this factor no longer exists, but the same policy continues to prevail, perhaps in an even more arrogant form. Nevertheless, Serbian provocation on such a scale, which denigrates everything Bulgarian and declares that Bulgaria is an occupier, never occurred on our territory prior to 10 November.

[Aneva] Where does VMRO stand in this situation?

[Gotsev] I think that VMRO is paralyzed and is unable to affect these events. I cannot otherwise explain how a hostile foreign organization has appeared to supplant it in the territory where it is active.

[Aneva] There are many VMRO organizations. Which is the true one?

[Gotsev] There is only one VMRO, and that is the one formed by Gotse [Delchev] and Dame [Gruev, cofounders of the first Internal Macedonian Revolutionary Organization in 1894]; all the others—about a dozen of them—are false. They are formed by someone or other and then disbanded when their lords no longer need them.

[Aneva] Were you replaced by a coup organized to change the line followed by the organization and to politicize it?

[Gotsev] I was in hospital when the announcement was made that I had resigned. I think that this was arranged by foreign embassies, and not only one, but two or three.

[Aneva] What do you think about the VMRO's intention to run in the next elections?

[Gotsev] At the very outset, when the VMRO was restored, some people had daydreams about turning it into a party, but so far it continues to maintain that Bulgaria has enough parties, and anyone who wants to enter parliament can do so through them.

Our movement is a national one, but has no political color. No one can close down the VMRO until it has completed the program outlined by Levski to protect and gather the Bulgarians in one place.

[Aneva] Is it a realistic prospect that Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] may join Bulgaria?

[Gotsev] I was one of the first to advise President Zhelev that we should recognize Macedonia. There was then a chance that Serbian troops would withdraw from there without a fight. A referendum was held in which 96 percent of the people in Macedonia declared for independence. Only a historian can appreciate what a great event this was; it is one of the great successes in our modern history. However, out of ignorance or for other reasons, the Bulgarian politicians failed to use this event to the benefit of our all-Bulgarian national cause.

[Aneva] What should have been done?

[Gotsev] During these last three years they should have done everything possible to make the border between Bulgaria and Macedonia a formal one. If one talks about historic chances, God gave us such a chance after 100 years. However, to use this chance the people have to be prepared, and we turned out to be completely unprepared. Macedonia needed to obtain diplomatic protection throughout the world, but we failed them. We ought to have three railroad links by now: from Kumanovo to Kyustendil, from Kocane to Blagoevgrad, and from Gevgeli to Petrich. We did nothing to stop the anti-Bulgarian propaganda there.

[Aneva] It is your idea that we should have a minister solely in charge of Macedonian problems....

[Gotsev] Greece has a special Ministry for Macedonia-Thrace. Over 2 million Bulgarians from Macedonia live inside Bulgaria and there are about another 3 million outside. At least one person in the Bulgarian Government should know where Macedonia is and promote all good initiatives connected with Macedonia. Before 9 September [1944, date of Bulgaria's liberation in World War II], the government always included people with actual and emotional connections with Macedonia. At that time, almost 50 percent of the scholars and scientists in Bulgaria were from Macedonia, plus 50 percent of senior army officers, 50 percent of the higher clergy, and more than 50 percent of diplomats. Everywhere where it was necessary to defend the Bulgarian cause in Macedonia, the Macedonian Bulgarians were in the forefront. Accordingly, the Macedonian question was a Bulgarian one, and no one in the world doubted that it was anything else. At present, not a single Bulgarian in the state institutions and the top administration is publicly committed to the Macedonian cause. On the other side of the coin, during the last 50 years half the diplomats in Serbia came from Macedonia, and many people from Macedonia were recruited into their army, police, and all their higher state institutions.

With the help of a few hundred Bulgarians from Macedonia whom it has bought, Serbia is holding Macedonia in subjection, deluding the people into believing that

Macedonians in fact rule them. [Greek] President Karamanlis comes from the village of Brodi in Aegean Macedonia, and Papandreou's first and second wives are also Bulgarians from Macedonia. Formerly, when Venko Markovski, who is also from Macedonia, published a new poem, a note was always sent from Belgrade and the newspaper editors got excited. Serbia and Greece did not allow film footage of Macedonia to be shown in Bulgaria, and our authorities fulfilled their wishes without question. It is the same thing now.

[Aneva] Nationalism is gaining quite good positions in Europe, so is it possible for the VMRO to play the nationalist card in Bulgaria?

[Gotsev] Nationalism does not exist in Bulgaria; it was destroyed long ago and its sting has been extracted. Today the Bulgarians have need of much patriotism, and we have to know what policies we are pursuing, so as not to hate a foreign nation for no reason. Why should we hate the Serbs and Turks for exploiting our ignorance?

[Aneva] Do you personally sympathize with Zhirinovskiy, and is a Bulgarian Zhirinovskiy possible?

[Gotsev] I do not think such a person can appear in our conditions, but it is more than necessary for a Bulgarian to appear to put things in order.

[Aneva] You mean a Bulgarian with a strong arm?

[Gotsev] I am not talking about a strong arm, but about a Bulgarian who knows how to govern the state. It can be an individual or a government, but it is high time that someone rescued Bulgaria from this humiliating situation.

[Aneva] Do you see any strong individual in either of the two main parties at present—the SDS [Union of Democratic Forces] or the BSP [Bulgarian Socialist Party], or in any new party?

[Gotsev] In the state they are in at present, I do not see anyone. There may be suitable individuals among them, but they should come forward.

[Aneva] Who in Macedonia would offer his hand to them?

[Gotsev] At the present, only culture and cultural links can bring us finally together. In Macedonia there is a strong intellectual movement that a month ago formed its own organization, the Movement for Cooperation Between the Republics of Macedonia and Bulgaria, and it will stage an official promotion in Skopje on 8 May. A similar movement is also being formed in Bulgaria.

VMRO-SMD Official Examines Views on FYROM

AU2804143894 Sofia TRUD in Bulgarian 25 Apr 94 pp 1, 3

[Interview with Krasimir Karakachanov, secretary of the Internal Macedonian Revolutionary Organization-Union of Macedonian Societies, VMRO-SMD, by Valeriya Veleva; place and date not given: "Skopje Cannot Play on Our Nerves Indefinitely"]

[Excerpts] Mr. Karakachanov, three years after our recognition of our western neighbor's independence, has Bulgaria managed to state its priorities in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]?

[Karakachanov] Macedonia itself should be a priority of our foreign policy, not only from a purely emotional viewpoint. Three wars were waged to liberate Macedonia, in which Bulgaria sacrificed 200,000 people. Up to 1944, Bulgarian foreign policy was oriented in the direction of Macedonia joining Bulgaria. The idea was to unite the Bulgarian territories in a single state in the name of the Bulgarian nation. Today, the realities are different. Bulgaria has no interest in new conflicts in the Balkans for the sake of Macedonia, and for this reason our policy is aimed at preserving the new state's sovereignty and territorial integrity.

If we look at the situation purely pragmatically, our shortest road to the Adriatic, that is, the sea route to Europe, passes through Macedonia and Albania. To develop this route would make us more independent and enable us largely to eliminate the excessive effects of the Aegean ports on our economy. Greece is conducting an extremely emotional policy regarding Macedonia, and the embargo it imposed provides no guarantee that we may not be eliminated in the same way, in certain future circumstances, were we to defend a thesis that Greece does not like.

From the political viewpoint, very good relations between Macedonia and Bulgaria might counter the Athens-Belgrade axis, which has traditionally been aimed against Bulgaria. Formed as far back as 1913, it exists to this very day, and it has always tried to nullify Bulgaria's efforts to become a factor of influence in the Balkans.

[Veleva] Does this mean that part of the key to our two states' survival is for them to combine their efforts?

[Karakachanov] If a democratic regime is established in Macedonia, one with a sincere attitude toward Bulgaria, and if both countries conduct a common Balkan policy, this would be of mutual interest. Threatened by Greece and Serbia, at present Macedonia is isolated. In addition, one should not forget the claims of the considerable Albanian minority in Macedonia. It is no secret that certain circles in the Albanian population there are working for the secession of western Macedonia, so you can see that Macedonia itself has an interest in having Bulgaria as a good friend. The two of them together can become an influential factor in the Balkans.

[Veleva] Despite this, one cannot say that the relations between us during the last three years have been brilliant.

[Karakachanov] There are two reasons for this. First, the Bulgarian politicians either do not appreciate these interests that Bulgaria has, or they are not interested in them. At the moment, Macedonia is ruled by people who were in power in Tito's time—the same party, the same figures. They are close to the Belgrade regime, not only ideologically. Even after Macedonia declared independence, they sought alternatives for restoring Yugoslavia, according to the Izetbegovic-Gligorov plan. Today, no one can deny this. Seeing the weakness of Bulgaria's Balkan policy, certain Macedonian politicians are permitting themselves to behave quite arrogantly and provocatively at times. [passage omitted]

[Veleva] What is your comment on the statement by Zhan Videnov [leader of Bulgarian Socialist Party—BSP] that the recognition of Macedonia was a "tactical" step by the Filip Dimitrov government, and that the Serbian danger is a "myth" dreamed up by Bulgaria?

[Karakachanov] This is not the first time that Zhan Videnov has made an overhasty statement about Macedonia and VMRO [Internal Macedonian Revolutionary Organization]. This shows that either he has not given up his party's internationalist complexes or he is not familiar with the problem. Even if we suppose that the SDS [Union of Democratic Forces] recognized Macedonia during the presidential election campaign to win the votes of Bulgarians with a nationalist frame of mind, why did the BSP not do it? Why did it not win these dividends? The big point is that Bulgaria won dividends by recognizing Macedonia, not who did it and for what reasons! Our politicians should finally realize that there must be a measure of ethics in politics. If a "Macedonian question" exists today, if a large part of the Macedonian population is confused and does not know its own history and roots, this is due only to the stupid policy that Bulgaria and Videnov's own party has followed from the time of the wars. In 1946 this party committed an act without parallel, even in other communist parties: It forced a part of the Bulgarian people to renounce their origin, and the Bulgarian state forgot about the Bulgarians in Vardar and Aegean Macedonia. Today, the recognition of Macedonia has restored the trust of many people there in Bulgaria. It seems that Videnov wanted to pay obeisance to Yugoslavia, or to the New Democracy Party in Greece. Even now, some circles within the BSP claim that some kind of "Macedonian nation" is a reality. I ask myself: Is the BSP really following a national policy that is adequate for the situation in the Balkans? Look at the Serbian press; even now it talks about Macedonia as if it were southern Serbia. Prominent Serbian politicians, even Milosevic's own wife, are working to integrate Macedonia into Serbia.

[Veleva] Macedonian President Kiro Gligorov starts his visit to Sofia today; the Albanian head of state Sali Berisha will come after him; and later Miltiadis Evert, leader of the Greek New Democracy Party, will visit us. What can we expect from this active foreign policy that Bulgarian President Zhelev is following?

[Karakachanov] The VMRO-SMD [Internal Macedonian Revolutionary Organization-Union of Macedonian Societies] has long agitated for a more active Bulgarian policy in the Balkans. The meeting between Gligorov and Zhelev should demonstrate to the Macedonian side once and for all that Bulgaria's intentions are only good. This indicates that Bulgaria will continue to tolerate Skopje's provocations and the unnecessary tension in the region. Sali Berisha's visit is also a good sign for us. As for the leader of the New Democracy Party, it is clear that we must raise the issue of the Bulgarians in Aegean Macedonia. If these visits are only reflected in media interviews and photographs, they are unlikely to produce any results. Bulgaria must emphatically defend its interests in the Balkans.

Transportation Agreement Signed With Iran

AU2804161094 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 28 Apr 94

[Text] The ninth session of the Intergovernmental Bulgarian-Iranian Commission on Technical and Economic Cooperation has ended with the signing of specific agreements. The leaders of the two delegations—Transportation Minister Ermenkov on the Bulgarian side and 'Ali Akbar Torkan, Iranian minister of roads and transportation—signed a memorandum and agreement on air communications which will serve as a legal basis for opening regular air routes between Sofia and Iran. The two ministers also initialed an agreement on alleviating double taxation.

Zhirinovskiy Said Planning Visit in May

AU2804123194 Prague LIDOVE NOVINY in Czech 27 Apr 94 p 4

[Article by Peter Javurek: "Zhirinovskiy Is To Visit the Slovak Republic in May"]

[Text] Bratislava—Vladimir Zhirinovskiy, the leader of the Liberal Democratic Party of Russia, will probably come to Slovakia on 14 or 15 May. A LIDOVE NOVINY reporter has found out that he should stay in the West-Club in Bratislava's Kamzik Restaurant as a private person. Staff from the West-Club confirmed this information to LIDOVE NOVINY. They added that the Russian ultranationalist will probably be in Bratislava for two days, but his program is not known. It is clear from another source that the owner of the West-Club invited Zhirinovskiy to make the private visit.

Last week, representatives from the extraparliamentary Liberal Party protested against Zhirinovskiy's forthcoming visit. Zhirinovskiy was originally supposed to come to Slovakia in April. He apologized later, saying he was "too busy." Liberal Party Executive Secretary Pavol Weiss met last week with Slovak National Party (SNS) First Deputy Chairman Juraj Molnar in one of Bratislava's cafes. The meeting, which had been instigated by the SNS representative, ended in a physical incident.

According to P. Weiss, Molnar, who recently took part in the "Pan-Slavic congress" organized by Zhirinovskiy's party in Moscow, tried to convince him of the need for a "Pan-Slavic union," in which Slovakia would cease to exist, and of the need for a party like V. Zhirinovskiy's Liberal Democratic Party. According to the liberals, Molnar even said frankly to Weiss that the Slovaks "will lick the boots of Russian soldiers." P. Weiss ended the conversation by physically assaulting Molnar in front of witnesses. In the meantime, the liberals have submitted a request to the Interior Ministry asking it not to allow Zhirinovskiy to visit Slovakia.

Moravcik Speech to DEUS Assembly Reported

AU2804152194 Bratislava SME in Slovak 25 Apr 94 p 4

["Excerpts" from speech delivered by Jozef Moravcik at the Constituent Assembly of the Democratic Union of Slovakia (DEUS) in Bratislava on 23 April, "shortly after his election as DEUS chairman": "Political Culture Influences Stability"]

[Text] This period is also important from the viewpoint of what style of politics and government will be established in Slovakia. The standard of political culture also has an impact on stability. We have had negative experience in this respect. We know that a confrontational style and the search for an enemy at any price do not suit us because they lead to political crises. We should, by our own conduct, create a positive image of the style of exercising political power.

Among the problems that upset our citizens and make their lives unpleasant are growing crime, vandalism, corruption, and a general deterioration of interpersonal relations. I realize that our situation in this field is not too critical when we compare it with countries we tend to consider stable and prosperous. In spite of this, I am convinced that we must take steps to stave off such negative phenomena. We must now allow what I recently heard from one foreign visitor to become a permanent truth: "You have an interesting country, we feel good here, but what puzzles us are the grim and sad faces of your people." In short, we must see to it that contentment and smiles return to the faces of our citizens.

A special problem is the impartiality and nonpartisanship of state administration staff. To secure the stability of state administration staff, this staff must inevitably be above party affairs. We must not hesitate any longer in this regard. It is necessary to prepare and introduce within a short period of time a law on civil servants that would bring about the needed stability in this sensitive sphere of state administration.

It is difficult to speak about the stability of the state administration, however, when we are not even clear about its structural changes. These, too, are unavoidable. We realize that the present structure of state administration bodies leads to the persecution of citizens by the bureaucracy.

The large degree of redistribution of resources through the state budget, particularly in the sphere of health care and education, creates tension on the revenue side. This tension can be eliminated by increasing either revenue or the deficit. A higher deficit means living at the expense of the future, however. Dilemmas of this kind are characteristic of the present. We cannot waste time pondering them. It is necessary to take vigorous action also in this regard. This means more private initiative in education and health care. Savings in these areas will allow us to reduce the tax burden of, in particular, entrepreneurs, allowing them to devote more resources to the development of business.

It seems that the entrepreneurs' present tax burden exceeds the critical mass of tolerability. It is evident that this excessively heavy burden erodes the psychological barrier against tax evasion and other forms of tax fraud. When we deduct from taxes tax evasions of this kind, the actual tax burden is lower. It would be far more effective if the formal tax burden matched the actual burden, leaving aside the fact that such criminal elements in the economy corrupt the social atmosphere.

A sore point of Slovak economic policy is support for small and medium-sized businesses. There exists a mass of documents approved by various governments reflecting the endeavor to find a way of giving support to this form of enterprise. In spite of this, we still owe much to small and medium-sized businessmen. We must start eliminating this debt as soon as possible.

Our integration into European and transatlantic structures is not free of problems. It is taking place at a time when a new model of European cooperation and a new architecture of European security are being sought. In the same way that we are interested in the borders of the zone of stability and prosperity not ending at our western border, we must be interested in having democratic and stable partners to the east of our republic. We set particularly great store in good relations with Ukraine and the Russian Federation.

Our immediate task is to contribute to the stability of Central Europe. I think Slovak-Hungarian relations represent the greatest liability in this respect. It needs to be stressed that this liability rests on both sides. This liability, which is a liability of the two countries' governments not only toward their citizens but also toward the expectations of the entire democratic Europe, must be settled as soon as possible. A condition for this is the establishment of an atmosphere of mutual trust. In other words, we must get rid of mutual distrust. This requires, among other things, the resumption of dialogue at various levels of state representation, including the highest level.

Kovac on Minorities, Relations With Hungary

LD2804203594 Budapest Kossuth Radio Network in Hungarian 1630 GMT 28 Apr 94

["Exclusive" interview with Slovak President Michal Kovac by correspondent Ildiko Nagy in Bratislava; date not given; from the "Extra" program—recorded; Kovac speaks in Slovak with superimposed translation into Hungarian]

[Excerpt] [passage omitted] [Nagy] From the viewpoint of the development of good-neighborly relations, which tasks do you consider the most timely in Slovak-Hungarian relations?

[Kovac] I believe that what both sides consider the most important is that we should put an end to mutual accusations and mistrust between the Slovak Republic and the Hungarian Republic as soon as possible. This is the basic condition for our being able to develop cultural and economic relations at the level of the various organizations, institutions, and citizens as well. So, the elimination of mistrust is at the top of the list, and every step promoting this is given priority. I believe that the signing of the basic treaty that lays down good-neighborly relations is included in this. The principle of the inviolability of the borders has to be laid down just as that of the political solution of issues affecting the national minorities. If we manage to achieve this, then afterward what we must strive for is to remove gradually from people's consciousness the suspicion and mistrust inherited from the past.

Once the basic conditions have been created for shaping a new type of relations, enormous possibilities will open up before us—first and foremost in cross-border cooperation, which is by no means at the level made desirable by the economic, cultural, and technical endowments and requirements of the region's inhabitants.

[Nagy] During their visit to Bratislava last week, Gabor Kuncze [head of the parliamentary group of opposition Alliance of Free Democrats] and, before that, Gyula Horn [chairman of the opposition Hungarian Socialist Party], also, spoke optimistically about the future development of Slovak-Hungarian relations. Jozef Moravcik, the Slovak head of government, also sees a chance for improvement. Do you share this opinion?

[Kovac] Yes, I support this opinion. And I trust that, in the election campaigns, the so-called Slovak and Hungarian cards will become superfluous—in other words, that it will not be possible to play these against each other. On the contrary, it will become apparent that the most rational way to resolve issues is to approach them in a sober, objective manner, without suspicion, be it a question of Gabcikovo, water distribution, the legal status of national minorities, or anything else—in other words, that everything can be resolved if it is not unnecessarily overpoliticized.

Incidentally, I consider this to be a sickness that has raised its head not just in our country but elsewhere, too. It is obviously connected with the fact that real democracy in our region is still only in the developmental phase, the political situation has not yet settled down, and an unnecessarily large number of issues are brought onto the political level as if they were trying to forge capital for themselves from this.

But I also see signs of the opposite of this: the effort to try to remove obstacles from the path of our relations. I consider looking to the future the important thing, and to make people aware that European integration is an attractive objective for which it is worth working with joint forces so as to achieve it more quickly.

[Nagy] Mr. President, if I am not mistaken, you managed to find the common note a long time ago with Hungarian President Arpad Goncz. You mentioned that, in the course of your earlier meetings, too, you had managed to get attuned.

[Kovac] Yes, that is so. This has shown that the presidents of republics, who are infrequently dragged into daily politicizing, look at events from above. Their hands are not tied, and they can express an opinion without prejudice, without ulterior motives, about certain issues. This is what we need: that this approach should pass down from the president's level to the executive power level. I do not doubt that this will happen because, also in Hungary and here, too, we have already taken steps in a direction serving the aim of depoliticizing. Once people's everyday interests come to the forefront, that will bring with it the necessity of sober solutions.

[Nagy] In your view, what role can the minorities play in the shaping of bilateral relations? I am thinking, in our case, of the Slovaks living in Hungary and of the Hungarians living in Slovakia.

[Kovac] In general terms, it can be said—and this relates to both the Hungarian and the Slovak situation—that it is in the interest of every country to create for its minorities conditions in which they can feel at home, so that they will strive, in their own interest, to integrate and become fully valuable members of the given society, while being able to retain their particular characteristics, their language, their culture, their traditions, while being given the possibility to study in their mother tongue. However, it is a general interest that the use of the mother tongue should not impede the minority in becoming integrated in society and the individual in getting on. We must change this outlook, which still lives on, that a minority means nothing but trouble for a country. We must reinforce the view that it can also mean richness. So far, we have done little to achieve this, but perhaps not only in relation to Hungary and Slovakia. Elsewhere, too, what people see is the disadvantages of the minorities issue rather than the richness the minorities represent for a country from the viewpoint of culture, of the multicolored mix of languages.

We have not sufficiently weighed the possibility of making use of this opportunity provided by the minorities for the purpose of getting closer to our neighbors, in our case toward the south, making our relations closer with Hungary. [passage omitted]

Poll: 54 Percent Trust Moravcik's Government

AU2804154194 Bratislava SME in Slovak 26 Apr 94 p 3

[Article by "(r)": "Jozef Moravcik's Government Is Trusted by 54 Percent of Slovak Citizens"]

[Text] Bratislava—The regular monitoring of public opinion in April 1994, conducted by the Slovak Republic's Statistical Office, mainly focused on the new Slovak Government headed by Josef Moravcik. It monitored the expectations of the citizens regarding the work of the new Cabinet and, at the same time, paid attention to President Kovac's address to parliament in March. We present a comparison between the trust of the people in the former and the current governments.

Trust in Meciar's Government in the First 10 Days of March 1994

A total of 34 percent trusted the government (11 percent trusted it fully, and 23 percent were inclined to trust it rather than distrust it).

A total of 55 percent did not trust the government (22 percent were inclined to distrust it rather then trust it, and 33 percent did not trust it at all).

A total of 11 percent did not know.

Trust in Moravcik's Government in the First 10 Days of April 1994

A total of 54 percent trusted the government (22 percent trusted it fully, and 32 percent were inclined to trust it rather than distrust it).

A total of 39 percent distrusted the government (22 percent were inclined to distrust it rather than trust it, and 17 percent did not trust it at all).

A total of 7 percent did not know.

Trust in the current government Cabinet increases with the level of education (the government is trusted by 70 percent of people with a university education, 61 percent with a high school education, 53 percent with vocational training, and 46 percent with only the basic education). Most entrepreneurs and employees have a favorable opinion of Moravcik's government, while workers and the unemployed have a less favorable opinion.

SNS Returns to Traditional National Principle

AU2804131294 Bratislava NARODNA OBRODA in Slovak 25 Apr 94 p 2

[Article by "(js)": "A Return To Tradition"]

[Text] Banska Bystrica—The Slovak National Party [SNS] is departing from the civic tendency declared at its Ruzomberok assembly by removing Article 5 from its articles and returning to an unequivocal national principle in accordance with its 130-year tradition. This was announced by the SNS Central Council at its conference held in Banska Bystrica on Saturday [23 April]. SNS Chairman Jan Slota also said at a meeting with journalists that the Movement for a Democratic Slovakia and the Christian Social Union [KSU] are being taken into consideration as possible partners for a preelection coalition. The selection of the KSU for preelection cooperation will be influenced by the outcome of the KSU all-Slovak assembly following its session on 1 May. The SNS intends to proceed in the elections as a force uniting Slovaks in South Slovakia and as the advocate of their interests. Slota is convinced that the nationally oriented parties and movements will win by a substantial majority in the elections.

Media Situation on Eve of Elections Analyzed

94CH0224A Budapest FIGYELO in Hungarian
31 Mar 94 p 19

[Article by Marton Kozak: "Backfiring Propaganda; Radio and TV Remain the Citizens' Main Source of Information"]

[Text] At the time of the change of political systems, people trusted the media the most. By now that trust has been deeply shaken. But it will be appropriate to draw the same distinction between the media that also the government has made—namely, to distinguish between the print media and the electronic media. (In practice, the electronic media in Hungary mean state-run radio and television.) According to the results of a recently conducted poll, mistrust of the electronic media is greater than of the print media: 26.7 percent of the respondents did not trust radio and television at all, as compared with 17.9 percent who mistrusted the print media. But even though they have lost much of their credibility, radio and television remain the population's main source of political information. After all, nearly 70 percent of the population listens to or watches news programs on radio or television, whereas only every other family learns about the political situation from the print media.

Formally, of course, everything is in order. Jozsef P. Szabo, who is responsible for Hungarian Radio's election-related programming, said before the 4 March dismissals that Hungarian Radio had reached agreement with the political forces inside and outside parliament, to everyone's satisfaction. The participants (representatives of the six parliamentary parties) in the debates broadcast every Sunday afternoon on the *Visszaszamlalas '94 [Countdown '94]* program determine by lot the sequence in which they speak; each one may speak for the same length of time; the parties chose jointly the topics for discussion; and they reached a consensus on who would be the hosts moderating the debates. After the purge on 4 March, however, this no longer seems possible, and not just because the events that had taken place a week and a half before Freedom of the Press Day [15 March] nullified the already reached compromises. Jozsef P. Szabo, who earlier had been acceptable to everyone, no longer enjoys the support of every political force; and Laszlo Rapcsanyi, who has been designated to host the all-day election program on 8 May, is in the same situation. Because they were chosen by consensus, none of the *Visszaszamlalas '94* hosts has been fired, but one of them has handed in his resignation as an expression of his indignation. In spite of all this, the fact remains that Hungarian Radio's news broadcasts still exceed by far the news programs on MTV [Hungarian Television] in terms of credibility and objectivity. At least for the time being. Because in MTV's case there was never even any illusion of credibility and objectivity. It will be remembered that Foreign Minister Geza Jeszenszky was the first to use the expression "[military] position" three years ago, when he was talking about there being on MTV also programs that were not government-unfriendly (read: programs that refrained from even mild criticism of the government). Occupying these positions—the most important news programs, in other words—Vice President Gabor Nahlik was better able than Laszlo Csucs, his counterpart at Hungarian Radio, to banish quickly and with less trouble every possible characteristic of a public-service institution. Since then MTV, transformed in compliance with the letter of the law, has been functioning as the freely elected government's propaganda organ. Months go by without the viewers being able to watch a debate in which representatives of parties holding contrasting views are participating; without any opportunity for the leaders of the opposition to speak out.

But that world will soon be coming to an end. As Election Day approaches, willy-nilly also other parties will have to be given a role. For even if the spirit of the laws attempting to set the competitive multiparty system's rules of the game has completely failed to interest, respectively, the management of MTV and the government, which in 1974 reserved for itself supervision of that institution, it does not behoove them even these days to thumb their noses at the letter of the law. Indeed, for the duration of the election campaign, Vice President Nahlik has ordered the establishment of a programming bureau and operations committee, as a sort of example of the application of the otherwise scarcely used BBC Code of Ethics. The task of the committee will be, among other things, to coordinate and control the elections-related duties of the MTV, and to maintain contact with the political parties. The chairman of the six-man committee is Laszlo Juhasz, the news director. Among its members we find Istvan G. Palfy, Istvan Petak, Teletext editor in chief Gabor Szucs, Emil Tallos and Balazs Varkonyi. From this list it is obvious that the vice president made no attempt to balance on an apothecary scale the committee's composition, in accordance with the political sympathies and antipathies of its members. Two distinct views have emerged regarding how the elections might be affected by the transformation of Hungarian Radio and MTV into the government's propaganda institution. For that is what they have become, and the fact that before 8 May also the representatives of other parties will be allowed to go before the microphones and face the TV cameras does not alter the situation.

One view holds that occupation of the state-controlled electronic media was a mistake even from the viewpoint of the occupiers' self-interest. Actually, this view finds support in two axioms of communications theory. The first axiom states that the mass media are suitable for reinforcing, rather than changing, views that have already been formed. In other words, the mass media are able to reinforce the sympathizers' sympathy and escalate the activists' activity to ecstasy, but they are unsuitable for reversing a generally negative attitude. According to the other axiom, even if the mass media happen to change an opinion, the changes can apply only to things outside the scope of the recipient's direct experience. And it is very likely that the hammering in of opinions which are in conflict with everyday experience, "the propaganda of successes," will backfire.

The view, generally accepted among media experts, that isolation from information and contrasting opinions is a prerequisite for successful brainwashing bodes a dismal future from the government's point of view. Yet dependence on state-run television is declining practically day by day because, during nearly a third of their total viewing time, TV viewers watch satellite- or cable-TV programs, rather than those of the MTV. The standpoint of those who claim that the government-run media are ineffective appears to gain support from another view which holds that, by occupying the electronic media, it is possible to influence only those for whom radio and television are the only source of information. But specifically this stratum comprising persons with a low educational level is less interested in politics and, very likely, will not even bother to vote. It will be remembered that the highest voter turnout to date is around 66 percent, and the turnout in May is unlikely to be any higher.

Thus, based on our knowledge of communications theory, it can be said that the victory won in the media war will prove a Pyrrhic one. Taking also considerations of social history and social psychology into account, however, no one can be very certain of that. The main message from forcing radio and television to their knees is demonstration of who is master in the house. From this point of view it is not really essential whether or not the voters are able to acquaint themselves with the political parties; whether they are able to confront the government with its promises; and how many whole-evening Boross interviews there are for every opportunity to read Horn's lips or for each one-minute appearance by Kuncze. What will be decisive in the end is whether Hungary's citizens will be willing to accept the old cast. It would do no harm, of course, if we were able to learn that also from radio and television.

Government's Accomplishments Outlined, Defended

94CH0230A Budapest HETI MAGYARORSZAG in Hungarian 1 Apr 94 pp 6-7

[Article by Tamas Mellar: "Success Propaganda or Political Pouting; Even Accomplishments Can Cause Pain to the Opposition"]

[Text] The opposition press of the past several weeks resounded with criticism of the government's so-called "success propaganda." "*While the economic situation of the country is increasingly deteriorating, and it is becoming increasingly clear that the present government is going to hand over the governance of the country to the next government in a condition worse than it was when it took power, certain government sources do not shrink from rehashing some long-forgotten bolshevik legacies, and from advertising the government's success. To assert that things are better today than they were four years ago, when facts and everyday experience indicate the opposite, amounts to uninhibited insolence,*" so the opposition argument goes.

Accordingly, let us find out who is correct: Should we believe what the government says or what the opposition claims to be true, or should we rely on our own experience? It is not easy to give an unequivocal "yes" or "no" answer to this question, because we are in the midst of a transitional process of historic significance, the essence of which is change, the dismantling of the old system, and the building of a new system. Therefore, we do not have a fixed basis for comparison to permit a clear evaluation of the changes. Similarly, one cannot draw historical parallels, or rely on scientific grading systems, because we are in the process of an *unprecedented* transformation, simultaneously experienced by only a few former socialist countries.

If, despite all these difficulties, we try to assess the past period, anything we say must be prefaced by a statement to the effect that no summary judgment, clearly positive or clearly negative, can be made. The overall picture shows both favorable and unfavorable trends. The exact ratio in which these trends are mixed to prove correct any given view depends on one's temper and political outlook. Such assessments, however, do not render the overall picture entirely black or entirely white: The picture still shows the situation as it actually exists.

Confronting the Legacy of the Past

It is not entirely futile to look behind the arguments presented by the opposition, because we should be able to present not only the negative, but also the positive aspects of the situation. In the following paragraphs we will examine arguments most frequently advanced by opposition politicians to prove the worsening of the economic situation.

Opposition argument No. 1: *The GDP, industrial production, agricultural production, and real income have significantly declined during the past four years, while unemployment has greatly increased. All this goes to show that the present government has not resolved the crisis inherited from socialism, in fact it has made it worse.*

Doubtless, it is true that production and income have greatly declined, but one should underscore the fact that a decline of at least the same proportion has already potentially existed in the system prior to 1990, except that it did not surface at the time, because the governments of those days did not dare to confront the situation, and used every means (e.g., foreign indebtedness) to postpone the real solution. The eastern market that accepted virtually limitless quantities of obsolete, inferior quality products (but made increasingly fewer payments) had not collapsed at the time. But even then it was clear that most of our products could not withstand competition, that a significant number of our enterprises constituted chronic loss operations, that they operated on the basis of obsolete technical and technological standards, and that 25-30 percent of their employees were superfluous. At that time already, it was obvious that thing could not go on the way they did before. The relatively high growth rate of the 1970s came to a halt for the first time in the early 1980's, and investments and accumulations have continuously declined ever since. The failure to renew production capacities has already predestined the subsequent decline in production.

After the collapse of the eastern markets, and after the introduction of import liberalization and principles of a market economy (accounting law, financial institutions law, bankruptcy law), one had to face the harsh realities of the inherited economy, and to examine the actual state of production forces that had been "developed according to a plan." Accordingly, the great decline flows decisively from the consistent use of this new yardstick, and not from flawed economic policies applied during the past four years. A substantially smaller decline in production and employment would have indicated that we had chosen the wrong path, that we had supported the old conservationist theory instead of renewal. In order to permit a new, modern economic structure to evolve, one has to dismantle the old system, and in the initial period, the emerging new system is unable to compensate for the demise of the old system.

Opposition argument No. 2: *The state's external and internal indebtedness has greatly increased during the past four years. The present government has failed to implement unpopular stringency measures; like its communist predecessors, the present government wants the next generation to resolve the problems. For all these reasons, the present government leaves behind for the next government empty state coffers and heavy obligations.*

Factual data indicate that although the gross foreign indebtedness of the state has increased as compared to the 1990 indebtedness level, the total net volume of indebtedness has not increased during the period examined. Between 1990 and 1992 the current balance of payments was positive. In 1993, however, a significant ($3.5 billion) deficit evolved, mainly as a result of the significant decline in exports. The decline in exports may be attributed to several factors, but in the final analysis, the reason for the decline can be traced to our low level of competitiveness. Increasing our competitiveness to appropriate levels requires an extended period of time. In the meantime, however, we must not pursue isolationist policies, because this would result in losing our chance to become integrated with the global economy. Quite naturally, one could suggest that a far more effective policy to stimulate exports should have been pursued by the government under the given conditions. This is true, in essence. One must not, however, disregard the fact that a strong policy to stimulate exports would have carried the threat of softening standard trade regulations, which could have caused very grave problems in a fledgling market economy.

The (internal) indebtedness of the state has, indeed, increased significantly during the past four years. Its volume has doubled during the period. But this large-scale growth conceals a far smaller growth in actual indebtedness. This is so because almost two-thirds of the state's indebtedness is comprised of the forint value of the external indebtedness, which has increased primarily as a result of several devaluations of the forint. If we considered the budget deficit only, the state's indebtedness would be substantially smaller.

"Empty State Coffers"—A Rhetorical Trick

Not including the initial year 1990, the state budget had a deficit in every year, and the amount of deficit has increased each year. The large budget deficit, however, did not result from an expanding state, from a growing redistribution of income, but from the collapse of the old system. This is so because the lack of balance is due to a drop in revenues, and not to increased expenditures. Tax revenues naturally decline when production and income decline (and this is true in particular when a large number of factors in the economy evade taxation), while demand for social welfare provisions increase. During the past four years the volume of production and consumption subsidies as part of the state budget has decreased significantly, while the proportion of social welfare expenditures in the budget has greatly increased. An odd situation has evolved in the grip of constraints and limitations: The budget was heavily restrained from the standpoint of production, at the same time, however, it developed a heavy deficit, thus causing a deterioration of the overall balance, while it was incapable to finance social welfare entitlement, and unable to appropriately compensate social strata that were sliding down.

One can escape from this trap only by instituting a comprehensive budget reform. The government has failed to initiate such a reform, and it can be appropriately blamed for that. At the same time, however, one should also stress that the disintegration of the old production system has imposed a grave burden of such proportion on society, that even the existence of the middle strata has become threatened. Under these conditions it is questionable whether society would also have tolerated a radical reduction in the social welfare delivery systems. Beyond all this, one also has to recognize that reforming the large distribution systems of the budget would not have produced tangible budget reductions in the short term, but would have increased the burden on the populace. A fundamental budget reform can only be introduced on a gradual basis, in parallel with growing individual income.

The repeated mention of empty state coffers might be a clever rherotical trick, but it has no factual basis whatsoever. At the end of 1993 our foreign exchange reserves amounted to $6.8 billion. As a matter of comparison, one should note that foreign exchange reserves amounted to $800 million when governance was transferred from the Nemeth government. The large volume of foreign exchange reserves, as well as about $6 billion in foreign investments over the past few years enable secure operations, one that provides significant latitude even for the next government.

Opposition argument No. 3: *The government missed opportunities, and did not (consistently) implement the transition to a market economy; it began to build a modern economic system slowly and selectively.*

In light of the changes made thus far, the charge that holds that the present coalition government does not want to establish a market economy, but the Horthy system of between the two world wars or some vaguely defined, fellow-traveler system based on national considerations, is totally unfounded. The governmental and legislative actions of the past four years indicate a clear commitment to a market economy. Progress in privatization, the establishment of market economy institutions, laws consistent with western market economy standards, and the increasing role of foreign capital all go to prove this.

Mixed, Kadarist Reactions

In reality then, all that can be said is that the development of a market economy has progressed at a slow pace. This is certainly true, especially if compared to heightened expectations. The delays and the slowness resulted from delayed actions by the government and the legislature on the one hand, and from mistakes made by the professional staff, and the lack of a social consensus, on the other. In 1990, voters authorized the present government to accomplish a slow, gradual transition, and not to apply shock therapy. (One should keep in mind the major social tensions created by even a slow-paced transition.)

Lack of acceptance by society may also be blamed for the slow progress of transition to a market economy. The gravest legacy of the past socialist system can be found not in distorted material conditions, but in standards of conduct, aptitudes, and attitudes instilled in people. After the political system change, everyone expected to see a well-functioning, decent market economy, as in Germany, Switzerland, or Japan. The problem is that on a societal scale, Hungary did not have (and still does not have) a high level of work ethics, a high degree of enterprising spirit, and appropriate professional training. Short of these, even a well functioning market economy develops slowly, is filled with contradictions and many mistakes, and is accompanied by negative phenomena.

The popular but mistaken belief or propaganda holds that the above-mentioned positive attributes had already evolved and had gained strength during Kadar's soft dictatorship, in the socialist economy that had been the subject of several reforms. This, however, is not true. What evolved there was a way to make a living in the shadows of socialist large enterprises: to work for these enterprises in executive positions, and, at the same time, to maintain business relations with the same enterprises in the form of a second job. Further: This situation taught people how to conduct themselves wisely in an economy in which consumers could enjoy all the advantages of a market economy, but in which producers and employers were protected against all negative effects of the market (this was the logic of the "produce for the eastern markets—buy from the Western markets" mechanism).

Real market economies, however, do not function on the basis of this logic; they require some different aptitudes and forms of conduct, and Hungarian society was not (and is still not) appropriately prepared to acquire such aptitudes and to manifest such conduct. Accordingly, when it comes to progress in the development of a market economy, the slowness of the progress is not necessarily due to mistakes made by the government, but also to slow and mixed reactions by society. Let us not forget the old wisdom: "You can lead a horse to water, but you can't make him drink."

KDNP Expert Views Budget Deficit, Taxation

AU2804152394 Budapest MAGYAR NEMZET in Hungarian 26 Apr 94 p 8

[Interview with Ferenc Rabar, economic expert of the Christian Democratic People's Party and former finance minister, by unidentified correspondent; place and date not given: "The Tax System Is a Tool of Income Policy—Ferenc Rabar on Handling the Budget Deficit"]

[Text] [Correspondent] The budget deficit started to increase drastically after you left the Finance Ministry and today this is one of the biggest problems of the economy. What does the Christian Democratic People's Party [KDNP] see as the reasons for this?

[Rabar] There seems to be a general agreement that the budget deficit is a result of lost revenue. Is this due to the very little revenue-producing ability of the Hungarian economy or the absence of taxes from the gray and black economy? The recipes for remedying the problems are obvious: Incomes in the economy must be increased, and in the other case, the collection of taxes must be made stricter. The latter would only be useful if the tax system were changed such a way that would make it worthwhile for the entrepreneurs to come out into the open economy.

[Correspondent] It seems that the KDNP, like the Federation of Young Democrats [Fidesz], does not advocate the immediate reduction of the budget deficit.

[Rabar] We must temporarily put up with the existence of a budget deficit. The current level is obviously too high and cannot be maintained in the long run. However, we have to get out of the vicious circle that there is no income, which in turn increases the budget deficit, so we increase taxes to finance the deficit, and this further reduces the income of the actors in the economy. This can only be broken if we put up with a high budget deficit for a while. However, I would emphasize that the economy can only bear this budget deficit temporarily and to a certain degree.

[Correspondent] How would you resolve the financing of the deficit?

[Rabar] The deficit can be financed either from domestic or foreign sources. The latter results in upsetting the balance of payments and the economy can also only tolerate this for a limited period of time. However, the current level of foreign currency reserves makes it possible to finance the external deficit. This would give some breathing space to the Hungarian economy and, in the meantime, measures can be used to boost the market. To achieve this, it is vitally important to stimulate savings and investment on the supply side, which can mainly be done through high real interest rates. This has been the practice up to now because the government has tried to keep interest rates high. Savings have increased in recent years but these resources did not reenter the economy. On the supply side, we also need to have an aggressive policy to boost exports.

Tax reductions are the most effective way of encouraging investment but this would again result in a temporary growth of the budget deficit. However, when the economy begins to grow, then the tax revenue will also increase. Some kind of interest rate support could be another way of encouraging investment. This means that all or part of the interest on loans taken on for investment is paid by the state.

[Correspondent] On the demand side, what kind of measures would you introduce to boost the economy?

[Rabar] We would try to increase the purchasing power of those groups of society whose consumption habits do not create too much inflation and do not increase imports. I am mainly thinking of food consumption, which accounts for a large section of spending among the lower income group. Increased food purchases can certainly be satisfied from domestic production; therefore, the increased income of pensioners and large families can have positive effects on the economy.

[Correspondent] How, through what measures would you increase the income of these groups in society?

[Rabar] It would mainly be worthwhile changing the tax system. We would keep the two-tier value added tax system but we would change the products in preferential categories. This way, we would end up with a price structure that favors products consumed by people on low incomes. It is also possible that after the initial regrouping, parallel to the improved economic situation, we would also reduce the tax level to a certain extent.

[Correspondent] To what extent would you change the structure of personal taxation?

[Rabar] Personal taxation should be made a direct tool of income policy. The burden on people with lower incomes should definitely be reduced, but I would not like to talk about further changes because we will have to consider the consequences of the changes very carefully.

[Correspondent] We have not yet mentioned entrepreneurs. What does the KDNP promise them? I recall that the entrepreneurs complain mainly about high wage costs.

[Rabar] We want mainly to lay emphasis on new small and medium-sized enterprises and to encourage the inflow of foreign capital. I agree that social security contributions are high. The stimulation of enterprises is closely linked to the inflow of capital. It is not so certain that the areas where wages are low are more attractive for foreign capital. On the other hand, the structure of incoming capital has to be closely examined. This would show that most of the incoming capital is seeking markets here, rather than investing to create markets or to bring in technology. This means, that, in the long run, Western capital is hoping for markets.

'Improved' Position of Christian Democrats Noted

94CH0223A Budapest HETI VILAGGAZDASAG in Hungarian 19 Mar 94 pp 95, 97-98

[Article by Gabor Juhasz: "Christian Democratic People's Party: Changed Image; Faith, Hope, Origin"]

[Text] "Family, economy, social justice, and purity," proclaims the election watchword of the Christian Democratic People's Party [KDNP], preparing to assume a governing role. Indications are that the smallest coalition party of today is trying to transcend its own shadow: The organization that has always been a loyal follower of the Hungarian Democratic Forum [MDF] is increasingly underscoring its independence and its people's party character.

"Everyone has a bitter taste in his mouth, not as a result of envy, but because of the apparent difference between law and morality," KDNP chairman Laszlo Surjan said in his opening campaign speech on 13 February in Szeged. He demanded that legal order be based more on morality; these remarks pertained to the sales transaction involving the headquarters building between the MDF and Fidesz [Federation of Young Democrats]. The unusually sharp statement by the chairman of today's smallest coalition party, the minister of public welfare in both the Antall and the Boross cabinets, indicates that the KDNP believes that the party's four-year subordination in governance expires in 1994. They hope that the elections in May will redistribute—favorably, from KDNP's standpoint—the roles to be played among the parties: i.e., that the KDNP remains a ruling party and that its weight is going to be definitive in the new coalition.

Doubtless, the KDNP is the only ruling party whose election prospects have improved, as compared to the situation four years ago. Most recent public opinion polls indicate that the KDNP's popularity among voters regarded as certain to vote varies between 4 and 5 percent (HETI VILAGGAZDASAG, 5 March 1994), i.e., it barely surpasses the threshold limit applicable to parties to be seated in parliament, the fact is that of the same people questioned, the fewest number reject the KDNP from among all the ruling parties. This year the KDNP's chances are also better than they were in 1990, because they have, by now, made up for the lag caused by their late start in 1990. The KDNP was formed on 2 April 1989 (or, to be more accurate, it was reorganized, because the KDNP regards itself as the successor to Barankovics's Democratic People's Party, which, officially, never ceased to exist); it ran in the 1990 elections with 3,200 members, and with no press of its own. (In those days, the MDF had 21,000 dues-paying members, and the SZDSZ [Alliance of Free Democrats] had 15,000.) One of the reasons for the delay in reorganizing the KDNP was that the "veterans," including then-party chairman Sandor Keresztes, the present ambassador to the Vatican, did not believe for long in the possibility of organizing a party, and pursued political discourse in a cover organization called "Aron Marton Society," or, for that matter, within the MDF. As a result of the delay, the KDNP was unable to establish slates of candidates in five counties, and thus, primarily in the southeastern part of the country, people could not vote for the KDNP even if they wanted to. (Each of the other five parties seated in parliament in 1990 ran 20 slates, but while the KDNP acquired more than 10 percent of the vote in five counties, FIDESZ managed to do the same in only three counties.)

The KDNP faces this year's elections with almost 30,000 members, and tries to introduce new, albeit familiar, faces in the course of the campaign, along with Laszlo Surjan, who heads the national slate. Most frequently mentioned are an active and a former minister: Janos Latorcai, present minister of industry and commerce, and Ferenc Rabar, an independent, who served as the first finance minister of the Antall government, until his resignation in late 1990. The KDNP is also endeavoring to make up for its "lag in the media"; ongoing, detailed negotiations pertain to conditions for PEST MEGYEI HIRLAP becoming a newspaper under KDNP influence.

The election program was also adjusted, of course. This is indicated by the change in the title of the program: The 1990 title (The Christian Way) was replaced by what has been a chapter title: "We want a society centered around the human being." According to the new program, the KDNP is "a party having the character of a movement, based on the Christian ideal, and with an independent, modern program." This definition was amended by the words "democratic and patriotic people's party" and "an organization independent from the churches." On the other hand, as the title shows, four years ago the KDNP emphasized that "a Christian outlook is the ideological foundation of our party," although even then, they added that "our party is not a 'clerical' party."

The change in emphasis obviously represents an endorsement of the pragmatic policies Surjan followed for the past four years. The minister of public welfare became a member of the KDNP's top echelon, and then its leader only after the elections, moreover, only after the government was formed, and only after the party leadership of Sandor Keresztes and Emese Ugrin was let go in May 1990. The odd aspect of his party career is that based on confidence in him manifested by Jozsef Antall, Surjan became a minister before he became the leader of the party or a representative, based on confidence expressed by the KDNP membership (in March 1990 he ran third in an individual voting district, and 15th on the party's national slate, and thus he entered parliament in September 1990, inheriting Sandor Keresztes's mandate after his ambassadorial appointment). The top position at the KDNP appears to be stable; Sandor Keresztes, who has been observing the events of the past years from the Vatican, and who is going to return to Hungary for the elections, ranks only fifth on the party's national slate. Keresztes is preceded on the slate by party Chairman Surjan, party Vice Chairman Laszlo Varga, Tibor Fuzessy, representative and minister without portfolio, and by Janos Latorcai, minister of industry and commerce. The secure positions of Surjan and his team is indicated by the fact that radicals within the party, such as Miklos Gaspar, Miklos Hasznos, and Miklos Palos, rank ninth, 10th, and 12th on the KDNP's national slate.

Surjan visibly endeavored to tide over the past few years by remaining loyal to the MDF as the "last satellite," while showing his independence everywhere, especially in the form of rhetoric. All this led to spectacular actions from time to time: Most recently Representative Tamas Lukacs criticized the government's privatization practice, and called it "unacceptable to society," but the official KDNP position in this regard spoke only about slowing down and the correction of mistakes. All this mostly served the purpose of allowing the KDNP leadership to once again try to prove to voters that it should not be held responsible for the mistakes made in privatization, because, based on the division of labor in government, the KDNP exercised no authority with respect to privatization. (Undoubtedly, however, the KDNP supported a "well-considered," "well thought out" privatization program in 1990.)

Several other old theses, virtually forgotten during the past four years, have gained new emphasis in the new KDNP program. For example, the KDNP returned to the principle of having the president of the Republic chosen in direct elections (the KDNP supported this alternative in the November 1989 popular referendum, but it did not in July 1990, after the party became part of the government); they regard an increased state role in the economy as indispensable, recommend central economic revitalization programs (the stimulation of enterprising, increased investments), and support the idea of establishing a peak economic ministry. A government under more forceful KDNP influence would protect producers with state-imposed restrictions (such as customs duties and quotas), according to the KDNP program. Regarding arable land, the KDNP would not even permit Hungarian-owned corporations domiciled in Hungary to acquire ownership (only Hungarian citizens, local governments, or the state would be entitled to do so), and the maximum limit of privately owned land would be 300 hectares or 6,000 gold crowns, (with no limit on the size or value of leased land).

Incidentally, due to events that transpired during the past four years, it was the land program that needed the greatest change, because four years ago the KDNP took the position that lands owned by the state and by cooperatives be given to local governments (and people from whom the land had been taken away, could have reclaimed their land from the local governments). But this concept no longer made sense as a result of the compensation process. Nevertheless, an accounting of the accomplishments, as presented in Laszlo Surjan's opening campaign speech in Szeged, is flattering to the party: The KDNP managed to implement 80 percent of its campaign promises. For example, the party chairman made special mention of the fact that autonomous local governments have come into being, and that laws have been created concerning church property and the minorities. At the same time, however, he also mentioned the failure of "making inflation disappear quickly," and of reducing state expenditures as some of the fiascos.

Based on four years of experience in governance, they omitted several theses from their program, which flow from "roots of one's world view," but which nevertheless proved to be unworkable in their original form. For example, they no longer demand the "development of a state power and state organization that corresponds with Christian ideals and the Christian world view"; on the other hand, they demand the limitation of the Constitutional Court's power (e.g., by removing its power to declare a law null and void). An "abortion-free Hungary" continues to be the declared goal of the KDNP, but by now, partly due to disputes that have arisen regarding the abortion law proposed by the KDNP party chairman and minister, they want to accomplish this as a result of educational work molding people's outlook, and they no longer talk about "preventing, without delay," "the organized extinction" of already conceived "Hungarian lives."

SZDSZ Economist Outlines Fiscal Priorities

AU2804174494 Budapest MAGYAR NEMZET in Hungarian 26 Apr 94 p 8

[Interview with economist Attila Karoly Soos, member of the Alliance of Free Democrats and chairman of the Parliamentary Budget, Tax, and Finance Committee, by Istvan Varga; place and date not given: "Enterprise Stimulation in the Forefront—Attila Karoly Soos on the Importance of Reducing Taxes"]

[Text] What would be your first economic policy measures if the Alliance of Free Democrats [SZDSZ] came to power after the elections?

[Soos] The SZDSZ wishes to conduct an economic policy based on tax reductions. We would abolish the source tax [forrasado] from next year which is now 10 percent and Parliament actually reduced it from 20 percent to this level on our suggestion. The abolition of this tax would reduce the difference between the interest rate on deposits and loans, which would have a positive effect on the population's will to save. The abolition of minimum tax rates is another SZDSZ proposal. We consider taxation on income [bevetel] totally unjustified from an economic point of view, and constitutional problems also arise here. Third, in the case of enterprises that have less than a 50-million-forint turnover, we would introduce a flat rate tax. This would make it possible for a large amount of sums paid by small enterprises to tax advisers to come into the treasury. Entrepreneurs, on the other hand, would pay less tax and have less administration. Another of our proposals is to expand investment preferences. Unlike the current rules, the preferences could be used by anyone, regardless of government permits.

[Varga] For capital-rich enterprises, the abolition of the profits tax would be important because they are still paying a flat rate tax.

[Soos] The government would remit part of the profit tax if the enterprises use their profits for reinvestment. This benefit would generally encourage the capital-rich enterprises and would at the same time help boost the economy.

[Varga] It seems that the SZDSZ is leaving too much to private initiatives; however, large investment with state support cannot be given up.

[Soos] Rather than state investment, we should be talking about infrastructural developments. In certain sectors, private capital cannot be mobilized. Highways or telephone systems can easily be created on a concession basis but hospitals or schools can only be built from the state's finances. State resources can also be used for the development of the regional infrastructure.

[Varga] In connection with investment, we have to talk about the World Expo. If it came to power, would the SZDSZ, in accordance with its previous view, withdraw from organizing Expo?

[Soos] At the time, the country resounded with calls for the world exposition to be organized on an entrepreneurial basis. Now we know that this is not at all the case. It is almost entirely a state investment and this is precisely the reason that the SZDSZ was against organizing it. However, preparations have reached a level where it would cost more to halt the investment than to organize the Expo. In addition to this, canceling the World Expo would also mean a loss of prestige because many countries have now applied to participate in it.

[Varga] An enterprise-friendly policy definitely has to take steps to put the banking sector in order.

[Soos] It is impossible to boost the economy in any way without developing the banking sector. The SZDSZ would stabilize the banking system and then it would begin to privatize it. We would sell off two banks even in

1994. It is important to implement cashless banking techniques as soon as possible. It is absurd that entrepreneurs are walking about with millions of forints in their pockets.

[Varga] Where would you find the financial resources for investment stimulation and tax reductions? How much revenue loss can the current position of the budget accept?

[Soos] Our proposal on tax reductions represents a small part of the whole budget, so there is no point in talking about the reserves for it. The loss of the source tax means 11 billion forints; however, parallel to this, the profits and the profit tax from enterprises would increase. The abolition of the minimum tax would mean the loss of 6 billion forints, which would be regained through the payments of flat rate tax. I expect that many people would choose this form of taxation and this would increase budget revenue. We wish to find funds for reducing the personal income and profit taxes, which is to be implemented later, through a stricter collection of taxes.

[Varga] Entrepreneurs are complaining about high wage costs, rather than high taxes.

[Soos] It is a fact that Hungarian wage costs are very high in international comparison. However, it also has to be known that the proportion of pensioners is very high in Hungary. Stricter collection is again one way of reducing health and pension contributions. However, in the more distant future, only the introduction of private insurance can be the solution.

[Varga] The stock market could be one of the most significant investment possibilities for citizens but, at the moment, it is playing a modest role in the economy.

[Soos] It is vitally important to change the system of investment support if we want to boost the turnover of the stock exchange. If someone sells his shares then he automatically loses his preferential treatment. The opposite of this should be the case because the stock exchange is intensified when people implement changes in their share portfolios.

[Varga] By now, some 200 billion forints of compensation notes have entered the market and maintaining the current price of these is awkward and costs very much. Would you accept the costs of maintaining the prices of these at a certain level?

[Soos] Recently, demand through privatization has not kept pace with the amount of compensation notes. The SZDSZ would certainly ensure a demand for the necessary quality and amount of shares.

[Varga] At the moment, the price of compensation notes is at around 70 percent. Would you set the price higher or lower than this?

[Soos] It certainly would not be lower than the current price.

Csurka Sees 'Quiet Sympathy' for MIEP

AU2804174594 Budapest MAGYAR HIRLAP in Hungarian 27 Apr 94 p 5

[Interview with Istvan Csurka, cochairman of the Hungarian Justice and Life Party, by Pal Szombathy; place and date not given: "List Leaders Give Interviews—Csurka: We Can Feel the People's Quiet Sympathy"]

[Text] In our election series, list leaders of parties that have set up a national list give interviews on their party's typical program points and concepts. This time we are interviewing Istvan Csurka, cochairman of the Hungarian Justice and Life Party [MIEP].

[Szombathy] On what points does the MIEP's program differ markedly from the goals of other national conservative forces?

[Csurka] The major difference is on the economy. We can clearly see that the Antall government is responsible for the current situation to the extent that it did not change the 20-year-old economic and financial program of the communist nomenclature, which had been based on the constant centralization of funds and restrictions because it had to pay the interest [on foreign loans]. The economic policy of the government led by the Hungarian Democratic Forum [MDF] was a direct continuation of the budget plans of the communists and reform-communists. The implementation of this is very interesting: Formally, the government is in power and the finance ministers—who for the most part have not been replaced in this cycle without reason—dictate, but the processes in the financial administration and the banks are all in communist or liberal hands. Therefore, it cannot be claimed that the national forces or the government was in power between 1990 and 1994. The MIEP wishes to change this situation, as this is where order has to be made first. While foreigners are rooting about in our pockets we cannot talk about independent Hungarian policies. The MIEP also differs in that it wants justice by further prosecuting the crimes of the past. We also want firmly to represent the national interests in culture and the dissemination of information. The current work of the public service media is intolerable, and I am saying this in spite of the fact that my party supports the two deputy chairmen leaders [of radio and television] who were appointed by the president but who are under concerted attack. A nation has the right to direct its own media and culture.

[Szombathy] What was the reason for your suggestion that those who support the national side should form a forum before the elections? To what extent do you share the MDF's fear of the left-wing danger?

[Csurka] The real danger is that of ignorance, rather than that of the left wing. The only reason we can talk about a left- wing danger is that a section of the masses is uninformed: They clearly place the responsibility on the national Christian- conservative forces, including the least involved MIEP, which was founded by people who had left the MDF. Dissatisfied people living in difficult conditions believe the fairy-tale that the left wing will bring back the golden age of [former Communist leader] Kadar, which never existed. This gross exaggeration is being hammered into people by the press, the radio, the television, and NEPSZABADSAG. Publicity should be made even before the first round of the elections, which would explosively give the light of recognition to people who are living in the dark. A pan-national conference would be suitable for this with a statement and with the participation of parties and mainly intellectuals. It is a misinterpretation of my words to say that I have come closer to the MDF through this: I have opened up toward all good intentions, and an example of this is my joint appearance with Jozsef Torgyan [chairman of the Independent Smallholders Party]. I am expecting the participants of the Szarszo meeting [August 1993], Hungarians living abroad, and smallholders to come to the conference. I do not want this event to be seen as a MIEP initiative.

[Szombathy] How do you see you party's numerical chances at the elections?

[Csurka] The MIEP has a good chance because it has massive lists in Budapest and in Pest county, and we have great popularity in the central parts of the country. This will certainly be enough to get into Parliament, and our individual candidates give us hope for a good result. We can feel people's quiet sympathy.

[Szombathy] Are you preparing for electoral cooperation between the two rounds of the elections?

[Csurka] Naturally. We will try to enter negotiations on this issue sensibly and honestly. We will look at who has the best chance: We will give and take. Give as good as one gets. We are willing to make an agreement with all national Christian parties that turn to us with honesty.

[Szombathy] What role do you envisage for the MIEP in the next Parliament?

[Csurka] It would be distasteful for us also to get involved in the pre-bargaining on ministerial chairs and coalition conditions. The MIEP's task is to be a compass for national Christian conservative forces. Guarantees have to be created that this conservative coalition would never lean toward the left, will never make pacts, and will not fall into marriages of convenience.

[Szombathy] If we can believe the opinion polls, we can expect a social-liberal victory. What will the MIEP do in such a situation?

[Csurka] One cannot believe opinion polls, and this has to be clearly stated once and for all. These surveys serve party propaganda purposes. However, should we be so unfortunate as for this to happen, then the MIEP will not despair: It will continue its consistent nation-organizing work.

Unemployment Rate Declines; Viewed as 'Stable'

94CH0214A Budapest NEPSZABADSAG in Hungarian 25 Mar 94 p 7

[Article by Antonia Radi: "The Unemployment Rate Is 12.6 Percent"]

[Text] *The number of registered unemployed persons declined in February: The local labor affairs offices jointly recorded a total of 630,000 registered unemployed persons, 10,000 fewer than a month earlier. That brought the unemployment rate down from 12.8 to 12.6 percent. All this came to light from the report of the National Labor Affairs Center (OMK).*

The OMK data reveal that with the present decline, which appears to be stable, unemployment has entered a new phase. For there were 74,000 fewer unemployed at the end of February of this year than a year earlier.

Although the number of registered unemployed persons continues to vary by regions, the extreme regional differences appear to have narrowed. The biggest decline in the number of registered unemployed occurred mostly in Bacs-Kiskun and Borsod-Abauj-Zemplen Counties. The situation remains the worst in Szabolcs County. In metropolitan Budapest as well as in Pest, Gyor-Moson-Sopron, Vas, and Zala counties the situation is better than the national average.

The number of unemployed new entrants into the job market also declined, albeit more moderately. Their closing total at the end of the month eased from 61,000 to 60,000, and their proportion within the total number of unemployed dropped from 9.6 to 9.5 percent. OMK experts claim that all this can be attributed to the programs for retraining.

We also learned that, among the unemployed other than new entrants into the job market, there are respectively fewer former agricultural workers and construction workers. On the other hand there are more unemployed persons who previously had worked in industry or in nonmaterial services.

During February, nearly 44,000 persons left the system of provisions for the unemployed. The average length of time an unemployed persons remains within this system continued to shorten.

According to the economic players who are obliged to file notice of their intentions to lay off workers, 26,000 workers can be expected to be laid off in the near future.

Bank Official Expects Inflation To Drop

94CH0214B Budapest NEPSZABADSAG in Hungarian 25 Mar 94 p 12

[Interview with Almos Kovacs, vice president of the Hungarian National Bank, by Gabor Ferencz; place and date not given: "To Curb Inflation Through Self-Restraint?"]

[Text] *Almos Kovacs, vice president of the Hungarian National Bank, expects inflation to decline this year. In his opinion, the inflation rate this year will only be about 17 percent. An economist, he believes that changes in wages play a key role in the development of inflation. Therefore, employees are no better off when their trade unions focus attention on higher nominal wages. When interviewed by our reporter, Almos Kovacs dwelt on the inflationary threat that compensation poses. His conclusion is that the extent of this threat is inversely proportional to the compensation notes' quoted price on the stock exchange.*

[Ferencz] When economic research institutes and central agencies prepare their inflation forecasts, they often arrive at different conclusions. How exact are the methods of estimating the inflation rate?

[Kovacs] In the final outcome, the inflation rate is a weighted average that reflects the rise of various types of costs. Hence it follows that, when estimating the inflation rate, certain assumptions must be made regarding the changes in costs—including wages, interest rates, taxes, and imports. Changes in wages play an eminent role in calculating the inflation rate. Namely, the changes in wages affect inflation not only through the changes in production costs, but also through changes in consumer demand. Interestingly, during the past three years—even though central wage regulation had ceased—very accurate estimates have been made of the development of wages, and of the extent of the resulting inflationary pressure. The market mechanisms appear to be working well in this area: Wages have not "run away" in the competitive sector.

[Ferencz] In Hungary, are the effects of wages on inflation the same as in textbook economies?

[Kovacs] Superficially, the proportion of wages among the costs would not seem excessively high. But in the final outcome, if there were no import, the rise of every cost could be traced back to changes in the costs of the primary factors, namely capital and labor. This is a classical Marxian theorem, but it happens to be true.

[Ferencz] Then will it depend on the employees' self-restraint whether or not inflation takes off?

[Kovacs] The economy's gross domestic product, or rather the proportions of earned incomes and capital incomes within it, determines the level of real wages. Thus our only option is whether real wages are obtained at a lower or higher rate of inflation, and hence at nominal wages expressed in smaller or larger numbers. The trade unions are not giving up anything even when they accept smaller increases in nominal wages, because the inflation rate will be lower and thus the same increase in real wages will be realized. It is worth noting that in Hungary—despite all appearances to the contrary—the proportion of earned incomes within GDP has increased considerably since 1990, while the proportion of capital incomes has declined substantially! Which shows that the employees' situation relatively improved, while GDP declined.

[Ferencz] How does the forint's devaluation affect inflation? According to a frequently cited rule of thumb, every percentage point of devaluation raises the inflation rate by half a percentage point.

[Kovacs] This rule is based on the assumption that the higher costs resulting from devaluation are reflected in the prices and are then passed on. But the question is whether this rise in costs actually has a ripple effect? It is indisputable that imported materials become more expensive after a devaluation. However, it is not so certain that the prices of finished products containing also import materials will likewise rise. For a rise in the prices of such finished products depends also on changes in other factor costs (including wages, among others). What happened in Italy in 1992 is very edifying: Despite a devaluation of the lira by more than 20 percent, the inflation rate was lower than in the preceding year. Behind this was the trade unions' self-restraint. They realized that, in order to maintain the country's competitiveness and preserve jobs, they had to accept a redistribution of incomes favoring the exporting industries.

[Ferencz] Usually compensation is included among the factors causing inflation. Is not the effect of the mass of compensation notes, by now more than 100 billion forints' worth, the same as printing money?

[Kovacs] Let us assume one extreme: None of the recipients of compensation want state assets, all the compensation notes are converted into cash, which is then spent on consumer goods. In this case the cash (the proceeds from the sale of the compensation notes at the quoted market price, and not the notes' combined total face value) constitutes additional purchasing power and generates inflation. If some of the recipients of compensation use their notes to buy state assets, the inflationary effect will be that much smaller. But the critical question is whether the purchasers of compensation notes, who then use those notes to buy state assets, are deferring their consumption? If they are, then aggregate demand will increase only slightly or not at all, and inflationary pressure will subside. And if we assume the other extreme—that the investors defer their consumption by exactly as much as the recipients of compensation who sold their note increase theirs; or that all the investors are foreigners—it may even be said that the inflation rate does not increase at all. Obviously, the real case lies somewhere between these two extremes.

[Ferencz] Does this mean that the lower the market price of compensation notes, the smaller the threat of inflation?

[Kovacs] In the final outcome, yes. In my opinion, however, it is not at all the state's intention to suppress the market price of compensation notes. After all, the expansion of the scope of assets that can be bought with compensation notes has the exact opposite effect.

[Ferencz] Will the state budget's rising deficit not cancel the optimistic estimates of the inflation rate?

[Kovacs] As a percentage of GDP, the state budget's deficit will be lower than last year. A large deficit is undesirable primarily because it ties down savings in the economy, diverting them from the entrepreneurial sphere. The deficit's magnitude in itself is not an inflation-generating factor. What leads to inflation is the deficit's increase, at least an increase of the deficit as a percentage of GDP. When the budgetary deficit as a percentage of GDP increases from one year to the next, this indicates a rise in aggregate demand, which is a potential inflationary threat. In any case, it produces negative effects. However, we cannot automatically conclude even from this that the inflation rate will rise; because domestic savings could also increase—that was the situation in Hungary in 1992—or import could expand—as happened in 1993—and, instead of the inflation rate's rise, the balance of payments could worsen and the structure of demand could change unfavorably.

[Ferencz] What can be said of the domestic inflation rate's trend? The rate's steady decline that was typical of previous years seems to have stopped.

[Kovacs] Hungary's inflation in recent years stemmed to a decisive extent from the fact that price ratios had to change. In theory, of course, this can also be accomplished in such a way that some prices decline, other rise, and the price level remains unchanged. But this has never succeeded in practice. In most areas, however, the price increases were commensurate with the cost increases and with the dismantling of price subsidies. These factors could fully explaine the price increases, and an inflationary spiral of the Latin American type was not triggered. From which it also follows that henceforth the rise in consumer prices is able to be in line with the change in producer prices. During the past two years—due to a number of factors that include, for instance, also the change in VAT [value-added tax] rates—there has developed an estimated 10-percent difference between the rise in producer and consumer prices, respectively. But this year we do not have to reckon with such "deflecting" effects. Consequently, the inflation rate could even drop as low as 17 percent.

Radio, TV Chiefs on Financial Situation

94CH0225A Budapest PESTI HIRLAP in Hungarian 26-27 Mar 94 p 1

[Text] *It is common knowledge that the cabinet at its Thursday meeting considered the requests of the public-service media for budgetary grants, but decisions on the requests were deferred. According to the government spokeswoman's news briefing, the cabinet considered the operations of the media too expensive because, as she put it, incomprehensibly huge requests amounting to billions of forints have been presented for several objectives. We interviewed the media chiefs about the special-purpose grants.*

Gabor Nahlik, vice president of Hungarian Television [MTV] vested with full presidential authority, said that among the requests his institution presented there were indeed items bearing price tags running to billions, but they were for objectives essential to MTV, in view of parliament's failure to make provisions for them in this year's budget. These objectives included: the conversion of color TV broadcasting from the SECAM system now used, to the PAL system that conforms to the European standard; compensation for the higher transmission charges due to public-service TV programs that could not be financed through sponsors or from revenue generated by commercials; and a budgetary supplement to the subscription fees that were an uncertain source of revenue.

Laszlo Csucs, the vice president of Hungarian Radio vested with full presidential authority, claimed that it could be safely said his institution was not placing a heavy financial burden on the government. Even after parliament's failure to make provisions for Hungarian Radio in this year's budget, the government had given Hungarian Radio special-purpose grants of only 104 million forints, whereas Hungarian Radio's operating budget totaled nearly 6 billion forints. The vice president also said that it was strange for the government spokeswoman to lump together in her briefing the financing of Hungarian Radio with that of MTV and Duna TV respectively. In Hungarian Radio's case there was no question of incomprehensibly huge requests amounting to billions; Hungarian Radio had requested merely 346 million forints in all, to support foreign broadcasts and Hungarian Radio's ensembles. There could be no doubt that the request was justified, Laszlo Csucs pointed out. Foreign broadcasts were in the national interest. And the ensembles, besides serving the radio, also enhanced the nation's prestige with their world-level performances and augmented the nation's cultural assets.

Further Reportage on Continuing Strike

Walesa To Support Pawlak

LD2804151894 Warsaw Radio Warszawa Network in Polish 1200 GMT 28 Apr 94

[Passages within quotation marks recorded]

[Excerpt] [Announcer] President Lech Walesa, who took part in ceremonies today to mark the 70th anniversary of the National Bank of Poland, said he would support Prime Minister Waldemar Pawlak in bringing the strike situation under control.

[Walesa] "I will try to support the young prime minister. I have experience with strikes—the polystyrene strikes, for example. The prime minister has less experience, so we will have to think about support where it is possible, while trying to ensure that there are no mistakes in the decisions.

This matter has been going on too long. It really should have been resolved much earlier."

[Announcer] The president denied that he was pleased that there were strikes.

[Walesa] "I hear that it's a good thing for me that the strikes are continuing. I hear it...[Walesa pauses] Well, Lepper, you can say he's not to be taken seriously, but serious people—I think it was Bronislaw Geremek who said that it was good for me that the strikes were continuing. [sentence as heard] That's getting hold of the wrong end of the stick completely. I oppose strikes, although I went on strike many times myself, but that was when there was no other way to settle matters." [passage omitted]

Government 'Will Not Give In'

LD2804140794 Warsaw PAP in Polish 1255 GMT 28 Apr 94

[Excerpt] Warsaw, 28 Apr—After Thursday's meeting of the heads of the Council of Ministers Economic and Sociopolitical Committees, Deputy Prime Minister Wlodzimierz Cimoszewicz told journalists that "the government will not give in to trade union demands expressed in the form of a diktat" because the government is responsible for observing the rules of a democratic state.

Cimoszewicz stated that he knows nothing about the drawing up by the government of a timetable for implementing Solidarity's demands, with the intention of presenting it to the trade unionists, as the strikers are demanding.

"Any kind of serious negotiations on any kind of demands in circumstances when strikes are continuing are hard to imagine," Cimoszewicz stressed. He announced that Prime Minister Waldemar Pawlak will put forward the government's position on the strikes in the Sejm on 29 April. [passage omitted]

Striking Miners Put Forward Demands

LD2804215294 Warsaw PAP in Polish 2041 GMT 28 Apr 94

[Text] Warsaw, 28 Apr—During Thursday's talks between Industry and Trade Minister Marek Pol and the striking lignite miners, the unionists submitted their six demands. Three of these are of a nationwide nature; the other three apply to their branch of industry. The sides discussed demands put forward by industry branches as well as a timetable for further talks.

Late in the evening, following a meeting with Solidarity leader Marian Krzaklewski, the miners demanded that a fixed date be given for the coming into force of the Enterprise Pact.

Following Minister Pol's 26 April decision to cancel the restructuring of the lignite mining industry, the miners promised that they will deliver enough coal to power stations before 2000 on Thursday so that they will be able to generate power to about one-third of their total capacity. If the government fails to present a timetable for the implementation of Solidarity demands after that time, the unionists have warned that protest action will escalate.

Miners striking in the Belchatow and Turow mines have been delivering coal in the quantities agreed upon Tuesday, while awaiting the outcome of talks held in Konin, PAP correspondents were told on at 2200 on Thursday.

Miners Extend Ultimatum Deadline

LD2804222894 Warsaw PAP in Polish 2134 GMT 28 Apr 94

[Text] Warsaw, Konin, 28 Apr—After 15 hours, at 2310 today, talks between Industry and Trade Minister Marek Pol and the striking brown coal miners were recessed until Friday at 0600.

The trade unionists have decided to extend the deadline of the ultimatum they have given the government to present a schedule of actions that will implement the demands put forward by branch trade unions and Solidarity.

Talks With Brown Coal Miners Break Down

LD2904081794 Warsaw PAP in Polish 0509 GMT 29 Apr 94

[Text] Konin, 29 Apr—Talks in Konin between Industry and Trade Minister Marek Pol and representatives of the striking brown coal miners did not resume at 0600 on 29 April as announced. According to unofficial reports, the trade unionists think that the government broke off Thursday's negotiations.

On 28 April, during negotiations lasting approximately 12 hours, the trade unionists decided to extend the deadline set for the government to present a timetable for the implementation of mining and Solidarity demands until 1400 on Friday.

Supplies to Power Stations Suspended

LD2904082394 Warsaw PAP in Polish 0543 GMT 29 Apr 94

[Text] Konin, 29 Apr—On 29 April, Zdzislaw Stasiak, spokesman for the National Strike Committee of the Brown Coal Miners, told listeners of local radio station "66" in Konin that at 0620 the committee decided to suspend coal supplies to Belchatow, Konin, Patnow, and Adamow power stations. The spokesman explained that this was the result of prolonged negotiations with the government. According to Stasiak, the suspension of coal supplies also includes the so-called strategic reserves.

On Friday, the Turow brown coal mine in Turoszow suspended coal supplies for the local Turow power station. The strike committee at the mine told a PAP journalist that output of its power units would gradually decrease during the day.

Politicians, Activists on Impact

WS2804123394 Warsaw RZECZPOSPOLITA in Polish 28 Apr 94 p 2

[Article by Malgorzata Subotic: "Fight for Socialism"]

[Text] A campaign against the leftist government is being waged by those who want even more leftist solutions. This is how Economics Professor Waclaw Wilczynski evaluates the present situation. He adds that this is a fight for socialism. Sociologist Andrzej Rychard believes that both parties of the conflict are only seeking strategies of behavior and that their intentions are unclear. The opposition predicts that the Pawlak Cabinet will yield to the strikers and that economic policy will be decided by people in the streets.

"I do not believe that we might now be witnessing a mass social outbreak," states Zbigniew Siemiatkowski of the Democratic Left Alliance [SLD]. He adds that it would be absurd to compare the present situation to August 1980 because there is no one common idea that would be the guiding principle for the people. If we assume the very unlikely hypothesis that the strikes will cause the government and the prime minister to step down, the coalition of the Polish Peasant Party and the SLD would decide on "a new hand of cards." There will be no new elections because their result does not depend on the strikes. According to the SLD spokesman, the government should not yield, "in the name of responsibility." Otherwise, the country is threatened by a "black scenario"—a shattering of the budget, with all the consequences that entails. The demands of other groups would then escalate.

According to Mazowsze Solidarity ["S"] Chairman Maciej Jankowski, the government may decide on an option of confrontation. This would entail "breaking the force of employees, just as used to be done by communists and then by the liberals, for the sole purpose of remaining in power." However, "S" will not surrender. If the strikes continue for a longer period, they will be joined by the headquarters of the All-Polish Trade Unions Agreement because plant union organizations are already cooperating anyway. With such a scenario, we will witness a period of destabilization, with the participation of anarchist and semifascist movements. Jankowski does not want to try to predict whether the strikes will develop into a mass social protest. "If this happens, it will be possible to organize this wave of protest." Otherwise, it will turn into uncontrolled rage. However, the Mazowsze Region head does not rule out an optimistic solution: the establishment of a government commission that would define "a serious schedule for the implementation of union demands." "I do not know a person brave enough to try to predict what President Walesa will do," says Jankowski. Andrzej Smirnow, another "S" activist, in reply to the same question, merely says that he knows nothing about the president's talks with "S" leaders. However, he accuses the Pawlak government of taking over the viewpoint of Minister Miller, the policy of pushing "S" to the edge.

Will "S" prove effective? "The problem is that there is no alternative to the present government," Smirnow evaluates, and adds that there has been a serious political crisis in Poland for a long time now. Those who are in power are not prepared to steer the state; therefore, a new movement must be established.

"No matter how this conflict ends, we are incurring losses that practically cannot be made up," Prof. Wilczynski says. What is still more dangerous, however, is that the protest is being staged under the slogans of a return to communism to a state that is responsible for everything.

According to Deputy Jan Litynski (Union of Freedom), the strikes will force the government to make concessions but not to step down. What will be overthrown is not a workers' and peasants' government but a democratic system because economic policy will be decided in the streets and not in democratically elected bodies.

In Litynski's opinion, the current strikes are more dangerous than any strikes before them because "the negotiating area has been extended to the general policy of the state."

Olechowski Outlines Foreign Policy Concerns

LD2804123494 Warsaw PAP in Polish 0958 GMT 28 Apr 94

[Text] Warsaw, 28 Apr—On 28 April, Foreign Minister Andrzej Olechowski described the main directions of Polish foreign policy as security and Poland's relations with NATO and the West European Union, tighter relations with the European Union, a more active policy toward the East, and cooperation with neighboring countries.

Olechowski, who arrived at the Sejm to present the main directions of foreign policy to deputies from the Sejm Foreign Affairs Commission, said that these four priorities are of equal importance. The meeting is closed to the press.

The Sejm will debate foreign policy on 12 May.

Deputies will also discuss a draft statement on the revival of imperial and hegemonic trends in Russia.

Olechowski, Official Cited on Foreign Policy

WS2904102094 Warsaw RZECZPOSPOLITA in Polish 29 Apr 94 p 23

[Article by W.K.: "The Candidacy of Siwiec Accepted by Olechowski; Priorities of Foreign Policy"]

[Text] The security of our country, the issue of European Union [EU] membership, and policy toward our Eastern neighbors and the Central and East European countries—these are the four priorities of Polish diplomacy that were submitted yesterday to members of the Sejm Foreign Affairs Committee by Foreign Minister Andrzej Olechowski. On 12 May, Minister Olechowski is supposed to deliver an official speech in the Sejm in which he will present the goals of our country's foreign policy.

The head of the Ministry of Foreign Affairs [MON] stated that one of the main goals of the Polish diplomatic service is to make the Polish defense system compatible with that of NATO as soon as possible. He said that, in its striving for EU membership, Poland intends to take advantage of the period in which the EU will be chaired by Germany. It will want to obtain further commitments concerning Poland's admission to the "Twelve." While speaking about Eastern policy, Olechowski, who has left on a private visit to Moscow, stressed the need to enliven Polish-Russian contacts, so that they could reach the level of development that has been achieved with Western states. Olechowski expressed the view that it must be agreed with Russia that "we disagree on global issues" and that we must try to cooperate in all other areas.

The minister also emphasized that Poland is satisfied with the level of cooperation within the Visegrad Group. In reply to a question concerning the chances of Marek Siwiec (of the Democratic Left Alliance) filling the post of deputy foreign affairs minister, the MON head revealed that he likes this candidate for the position. While speaking about changes in the organization of the ministry, Olechowski said that people in the posts of deputy ministers will create foreign policy along with the head of the ministry and will fulfill representative functions in both Poland and abroad. They will not, however, steer the ministry or "any of its sections."

Committee Chairman Bronisaw Geremek divulged that one of the problems of Poland's Eastern policy is the stand on the possibility of a conflict between Russia and Ukraine. Geremek said that, on this issue, the opinions of the committee's members are divided. Some of them believe that, if such a conflict erupts, we should keep out of it. Others believe that if Ukraine's independence is jeopardized, it will prove that Russia's imperialism is reviving. Therefore, the committee chairman stated, it is necessary to closely follow developments in the CIS.

Geremek stressed that the session of the committee and the forthcoming debate in the Sejm prove that the discussion on our country's foreign policy is becoming increasingly more democratic. Asked why the meeting of the committee was closed to the press at the last moment, the chairman stated that the minister had requested it because he wanted his Sejm speech "not to lose the charm of freshness."

Polls: Less Approval for Walesa, More for Pawlak

WS2804115394 Warsaw RZECZPOSPOLITA in Polish 28 Apr 94 p 2

[Article by R.W.: "Public Opinion Research Institute for RZECZPOSPOLITA; More Consent for Prime Minister Than for President"]

[Text] The number of people who agree with the way Prime Minister Pawlak is wielding power increased in April, while popular support for the governing style of President Lech Walesa decreased. Slowly but surely, the president has been losing support since March; the prime minister lost in March but regained popularity in April. These opinion polls are conducted for us by the Sopot Public Opinion Research Institute.

Each time the respondents had to answer questions under different circumstances:

In February, strikes were going on in Silesia; a huge demonstration, deemed "five km of Solidarity" by the papers, was staged in Warsaw; the coalition was just getting over the crisis ensuing after the resignation of Marek Borowski, finance minister and deputy prime minister. The president launched his legislative initiative to enable 100,000 citizens to submit a draft constitution, but the Sejm had not rejected it at the time. The results: The president's style was approved by 25 percent of respondents, the prime minister's style by 36 percent.

In March, Pawlak left for Moscow on a visit that, according to many observers, was ill prepared; the president was ostentatiously taken aback by this visit. Dariusz Rosati had only just emerged as a candidate for the new deputy prime minister and finance minister, he was already accepted by the prime minister; the president had not taken a stand on that yet. The approval rating for the president 22 percent, for the prime minister 33 percent.

In April, the dispute over Rosati had been going on for many days; it was only unclear whether it was a conflict between the president and the coalition or between the president and the Democratic Left Alliance [SLD]. In only a few days, Walesa was supposed to meet with the

SLD Parliamentary Club, as a consequence of which we witnessed an "armistice." The president had already vetoed the new popiwek [tax on excessive wage increases] and the gminas [smallest administrative units] councils electoral law; the budget was already signed. The prime minister started suggesting to unionists that there might be no new popiwek at all. In this situation, the way Walesa wielded power was approved by 20 percent of respondents; in the case of Pawlak, there was twice as much support.

The greatest support for the prime minister can be noted among elderly people, including senior citizens and disabled pensioners, those with elementary education, unskilled manual workers, housewives, and especially peasants, voters for the Polish Peasant Party and the Peasant Accord. Those who express the least favorable opinions are young people, including school and university students, educated people, well-to-do individuals living in big towns and cities, voters who supported the Liberal-Democratic Congress and the Democratic Union in the September elections.

Walesa's style meets with considerable approval among people over 60, election supporters of the Non-Party Bloc in Support of Reforms, Solidarity, and the Fatherland coalition. Slightly more-than-average approval is expressed by educated people holding managerial posts, but mainly because, in this group, there are seldom any problems with expressing an opinion.

The poll was conducted on 16 and 17 April on a sample of 1,071 adult inhabitants of the country; a comparison was made with similar polls carried out in the middle of March and February.

Do you support the way power is wielded by President Lech Walesa?

	No	Yes
Feb 1994	59%	29%
Mar 1994	63%	22%
Apr 1994	65%	20%

Do you support the way power is wielded by Prime Minister Waldemar Pawlak?

	No	Yes
Feb 1994	35%	36%
Mar 1994	37%	33%
Apr 1994	34%	40%

Krzaklewski on Solidarity's Political Role

PM2904082094 Gdansk DZIENNIK BALTYCKI in Polish 21 Apr 94 p 7

[Interview with Marian Krzaklewski, chairman of the Solidarity Trade Union, by correspondent Barbara Madajczyk-Krasowska; place and date not given]

[Text] [Madajczyk-Krasowska] The prime minister promised you that the government would withdraw its support for the proposed "popiwek" [enterprise tax on above-normative pay] act, but the very next day deputies representing the prime minister's party submitted a new popiwek bill to the Sejm's attention. They explained this move by saying that they did not consult with the prime minister on their decision because he left for Germany before they had a chance to talk with him. Do you feel cheated?

[Krzaklewski] The prime minister has made it clear to the whole of society, and not just us, that his declarations cannot be treated seriously. I do not know whether this scenario was actually preplanned—that is, whether the prime minister intended to announce the withdrawal of his support for the popiwek act in public one day, and to have his deputies submit a government bill for a new popiwek act the next, but, whether or not it was, this sort of strategy is dishonest and it compromises the government. It could also suggest that the prime minister has lost control of his own party and, by the same token, has lost his credibility with us. In any case, the point is not only that the National Commission was cheated, inasmuch as its members had left Gdansk with very little hope that a dialogue with the government was still possible. The National Commission regarded the prime minister's declaration with much reserve anyway, and it decided not to suspend the protest action while awaiting the implementation of the said declaration. Moreover, we never received a positive reply to any of our remaining stipulations.

[Madajczyk-Krasowska] Which ones?

[Krzaklewski] The ones concerning energy prices, taxation, citizens' enfranchisement, and a 40-hour workweek. In other words, stipulations mainly concerned with ensuring an increase in families' real incomes. It is inconceivable that we should have a situation in which the 1994 gross national product is on the increase, but the working people's family incomes keep falling. The government rejected our recommendations that energy price increases be reduced to the level of inflation. In a clever move, it spread the increases over three successive stages, which is why people have not felt their full effects yet, but, because of that operation, the increases will be higher than originally announced. Similarly, families have not yet felt the impact of the changed taxation bands. For example, people who earn a comparatively large amount will soon enter the second taxation band. If, as a result of the "married couple" assessment of tax liability, which includes their spouses, it turns out that their income tax does not exceed the 33-percent threshold, they will still not get back the advance payment—reduced by the inflation rate—until the second quarter of the following year. Because of this kind of regulation, we demand the chance to assess family incomes on a current basis, determining from such assessment which families should be automatically receiving family income supplement. Social unrest is increasing, and, if it does not explode today, it is bound to in August or September, with greatly magnified force.

[Madajczyk-Krasowska] But is your stipulation to enfranchise society not belated and unrealistic, in any case? After all, workforces of enterprises under privatization receive their allocated shares according to the terms and provisions of the "Enterprises Pact." As a result of this form of privatization, many employees become millionaires, not to say billionaires.

[Krzaklewski] Like the night guard at Bank Slaski. The enfranchisement demand is not belated and is still perfectly relevant today. People feel the injustice of the uneven opportunities more and more acutely. Those citizens who have the luck to be working in enterprises that are being privatized—even if the privatization is of a pathological nature—have a chance of becoming richer than they were before. Others, who have been contributing to the creation of the state's assets, have no such chance at all.

[Madajczyk-Krasowska] Those who have received their shares will not give them back now.

[Krzaklewski] Their shares should be treated as prepayment on account of the universal privatization scheme. If they exceed a certain set limit, they will get no more shares in the future. We want to see 50 percent of the inventoried State Treasury assets distributed among all citizens in the form of privatization bonds. After two or three years, the owners will be able to exchange the bonds for shares in banks and companies or, for example, use them to purchase homes within company housing schemes. Certain preferential terms should be reserved for employees of the privatized enterprises because they had taken an active part in the creation of their assets.

[Madajczyk-Krasowska] But such decisions require fundamental changes in the entire system.

[Krzaklewski] Indeed, the system does need to be changed.

[Madajczyk-Krasowska] If Solidarity-based governments failed to introduce significant changes in the system, how do you expect the present postcommunist parties to do it?

[Krzaklewski] I most emphatically deny that they were truly Solidarity-based governments. They were governments composed of people who had once belonged as members to the Solidarity trade union, were experts attached to it, or were otherwise associated with it on political grounds. These people created their own political parties, with specific programs and ideologies. But they should not be associated with a trade union. None of these parties has ever realized the Solidarity program. It is high time to put an end to the formulation "Solidarity governments." Let me remind you that, if you do not count the resolution in support of the president in the election, Solidarity has never officially resolved to promote or sponsor the authorities in power after 1989.

[Madajczyk-Krasowska] What about the "protective umbrella" extended over the first Solidarity-based government?

[Krzaklewski] That was an umbrella over the whole of Poland. After all, as early as 1990, there were several dozen strike actions, and, in the following year, their number grew to several hundred. Through the end of 1993, we had more than 1,000 strike actions. Would you still maintain that we were extending a protective umbrella over the government? Remember that we started coming out in protest much earlier than the postcommunist trade unions.

[Madajczyk-Krasowska] Rumors circulating among certain Solidarity activists have it that the latest demonstration and the wave of recent strikes were inspired by President Lech Walesa.

[Krzaklewski] This is arrant nonsense! The last time I had any direct contact with the president was before the Zielona Gora congress.

[Madajczyk-Krasowska] But, during the Warsaw demonstration, the Solidarity leadership did its best to ensure that the marchers did not go to the Belweder.

[Krzaklewski] We did not want to dilute our action by introducing a whole variety of issues and slogans. We wanted to show that our goal was to secure increases in families' incomes. In the past few days, the president interpreted our protest correctly. His veto of the popiwek act was not exclusively a gesture in the direction of private companies. It came as a result of pressure exerted by our union, and that is why we expressed our thanks to the president.

[Madajczyk-Krasowska] Meanwhile, the Nonparty Bloc in Support of Reforms [BBWR], which is the president's organization, has been boasting that it was the first to support your strike actions.

[Krzaklewski] The first organization that offered us its support was the center-right parties' secretariat. However, we would like to be effectively supported by politically strong parties—and these are lacking at the political center and on the right. Consequently, we are waiting for a strong party, whose program and ideology will not be at odds with Solidarity. I am afraid that we might have a long wait ahead of us.

[Madajczyk-Krasowska] It so happened that Professor Zbigniew Religa, BBWR chief, offered to represent you politically before your meeting with the president. What are you going to answer if, say, the president promises to supports your demands but, in return, stipulates that you support him in the presidential election?

[Krzaklewski] We cannot even consider such an eventuality, and we will not enter into any political compacts with anyone—not even the president—because we are not a political party. All we can do is negotiate a certain contract on the basis of which the president would support our demands. On the other hand, making promises of support for the president on behalf of all of our members would be dishonest of us. People will support him but only when he has fulfilled their expectations. We would be very glad to see the president achieve successes because people would then live a better life. Recently, we learned that, apart from the right to veto parliamentary bills, the president has a rather limited range of powers because a peculiar hegemony of two parties has arisen in parliament, and this enables them to approve virtually any bills they want.

[Madajczyk-Krasowska] It was members of the public who chose them.

[Krzaklewski] But the same number of people voted for the parties and political groups that are outside parliament now. Does Mr. Kowalski, who voted for the groups that did not pass the parliamentary threshold, have different constitutional rights from Mr. Nowak, who voted for the parties that passed the 5-percent threshold?

[Madajczyk-Krasowska] In that case, why did the leaders of the former groups, including also Solidarity, not give Kowalski a chance by creating a joint coalition? After all, the National Trade Union Accord [OPZZ] did enter a coalition with the Democratic Left Alliance [SLD].

[Krzaklewski] Before the election, we campaigned for creating a block of combined votes in favor of the Solidarity electoral list, but each of the possible parties was convinced that it would obtain the required 5 percent of votes on its own. It is also worth remembering that some parties were hostile to us. To tell the truth, the only offer of support came from the president.

[Madajczyk-Krasowska] But you rejected it.

[Krzaklewski] That was in order to demonstrate that Solidarity as a union will not enter into any political compacts with any party or parties. If we did, it would be a decision of grave consequences for a union as pluralistic as ours. On the other hand, the BBWR electorate is in the main associated with the liberal and neoliberal orientations as regards the economy.

[Madajczyk-Krasowska] What political and economic system do you want?

[Krzaklewski] We want a system that will combine market economy with cooperation and that will constitutionally guarantee a dialogue between social partners, a dialogue conducted according to the rules of social solidarity. You could provisionally call it a market-and-social-solidarity system.

[Madajczyk-Krasowska] Is that not a utopian vision? After all, this world is marked by conflict between groups of opposing interests.

[Krzaklewski] They come into conflict and thus drag the world into a crisis. Nowadays everybody is asking what kind of system we should have.

[Madajczyk-Krasowska] People have always asked this question. We know that only a democratic system based on political parties can withstand major crises.

[Krzaklewski] Are we in Poland supposed to copy the mistakes made by those who refuse to put their efforts into creating a more stable political system, in which the principle of social solidarity would be the rule?

[Madajczyk-Krasowska] Do you suggest a third way?

[Krzaklewski] Yes. World confederations of trade unions are of a similar opinion, too. Such a program was presented by Solidarity at the latest World Labor Organization congress.

[Madajczyk-Krasowska] Who is supposed to realize it?

[Krzaklewski] It must be written into the constitution of the Third Republic.

[Madajczyk-Krasowska] Do you sometimes dream of a return of Solidarity as it was in 1980?

[Krzaklewski] There will never be another Solidarity like that because the situation is very different now. At that time, we were fighting to regain our national independence and to return to fundamental moral values. We were involved in the creation of a democratic system that would not be dominated solely by the free market and monetarism but would include ethical values.

[Madajczyk-Krasowska] Do you know even one country where moral values are placed at the top of the agenda?

[Krzaklewski] In other words, you mean paradise. Even if we cannot build such a paradisiacal country in this world, that is no reason to give up our hopes and ambitions. We must strive to improve the system, and we must protect people from being marginalized because otherwise they will cease believing in just and fair political and economic action and become irresponsible. After all, neofascist groups are already beginning to gain momentum in both the West and the East.

Poland and other postcommunist countries are now facing the risk of building a capitalist system on the basis of dishonestly accumulated capital. A significant proportion of present businessmen are people who amassed their wealth only because they were, for example, communist functionaries or financial criminals who escaped being caught and brought to justice after 1989. If such negative tendencies prevail in the future, we will move in the direction of the system of capital oligarchy—that is, the stage South American countries had attained in the 1950's and 1960's. Seventy percent of national assets will be in the hands of 10,000 or so citizens. We are at this moment at the crossroads of a struggle for our system.

[Madajczyk-Krasowska] How do you propose to introduce a better system? With the help of strikes, demonstrations, or perhaps a revolution?

[Krzaklewski] We want to change the law and make a clean break with the legislative system obtaining in the Polish People's Republic [PPR] as well as the consequences of that system; we also want to enfranchise all citizens. We believe that there is a need for a decisive break with the previous system by means of such moves as, among other things, the introduction of a vetting law and a decommunization law, which would condemn past structures instead of people.

[Madajczyk-Krasowska] You blame all mistakes on Solidarity-derived parties, but, at the same time, you form very extensive coalitions with them for the purpose of local self-government elections. Is your anticommunist crusade supposed to justify even those coalitions you form with the parties that previously tried to restrict your rights?

[Krzaklewski] We do not form coalitions but, at the most, enter into contracts in support of individual candidates. On the whole, Solidarity Trade Union does not take part in its own right in local self-government elections.

[Madajczyk-Krasowska] When are you going to meet with the president?

[Krzaklewski] The date of our meeting depends on the president's choice. We regret that the president signed the Budget Act before meeting with us; many of our stipulations could be realized through complementary budget-related parliamentary acts and regulations. We wanted to explain to the president that it is not at all necessary to introduce fundamental changes in the budget in order to meet our demands.

[Madajczyk-Krasowska] Do you have an alliance with the president?

[Krzaklewski] We do not. We have formal relations with him.

[Madajczyk-Krasowska] Will you allow yourselves to be exploited by the president?

[Krzaklewski] You cannot view our meeting with the president in terms of one side losing and one side gaining in the exchange. It is the country that is supposed to gain. That was what we were talking about during our meetings with the president last year.

[Madajczyk-Krasowska] What if the president were to dissolve parliament in fulfillment of his threats? Would you support him then?

[Krzaklewski] The president cannot dissolve parliament just like that, on his whim.

[Madajczyk-Krasowska] What if he were to resort to the use of power?

[Krzaklewski] That would be tantamount to fascism! We will not lend support to such moves even in relation to a parliament led by communists. The democratic system must be respected even if it has given birth to an "ugly duckling." After all, we have fought for that system—and we are still fighting for it.

New Minister Backs Tough Anti-Inflation Policy

LD2804201794 Warsaw TV Polonia Network in Polish 1730 GMT 28 Apr 94

[Excerpt] Tomorrow morning President Lech Walesa will hand Grzegorz Kolodko his act of appointment to the post of deputy prime minister and finance minister. Professor Kolodko was already a candidate for finance minister during the creation of Waldemar Pawlak's Cabinet last fall. He relinquished participation in the government at that time because the economic program he presented was not accepted by the whole coalition.

[Unidentified Correspondent] Prof. Kolodko, who already took part today in a meeting of the Council of Ministers' Economic and Social Committees, said that he identified with the government's position on the strikes and the neopopiwek [wage-control law].

[Begin Kolodko recording] I never was an advocate of the neopopiwek, but I always was and remain an advocate of a tough anti-inflation policy. The government will shortly be proposing solutions that will, after acceptance by the trade unions, serve to protect real wages, which the prime minister spoke about, and here the issue of the popiwek, the neopopiwek, should be seen in the proper perspective. [end recording] [passage omitted]

Changes in Main Customs Office

94P20655A

[Editorial Report] In an effort to reduce long traffic delays on Poland's borders and to combat the country's smuggling problems, the new head of the Main Customs Office (GUC), Ireneusz Sekula, plans to undertake "legislative, technical, and organizational changes" that will modernize the office and increase efficiency, according to a report in the Warsaw weekly GAZETA PRZEMYSLOWA I HANDLOWA (GPiH) of 8-14 March. Sekula, a member of the SdRP (Social Democracy of the Polish Republic), was labor minister and deputy prime minister in the governments of Zbigniew Messner and Mieczyslaw Rakowski, respectively, during the 1980's. In an interview in the Warsaw daily TRYBUNA (17 March), Sekula elaborated on details concerning his "new strategy" for the customs office.

According to TRYBUNA interviewer Cezary Rudzinski, the customs office is the fourth-largest revenue source for the state budget, providing over 98 trillion zlotys (Z) to the budget last year from customs fees and taxes collected on 6 million customs clearances and postal packages. Office expenses amounted to Z1 trillion. Sekula estimates smuggling losses of $1-3 billion. According to the GPiH, last year alone customs officers uncovered 16,200 smuggling attempts, twice as many as in 1992, with the confiscated goods—mostly cigarettes, alcohol, and cars—amounting to approximately Z2 trillion. Through modernization and increased efficiency, GUC hopes to increase revenues to the state budget by minimizing payments lost to smuggling.

Sekula sees the first order of business to be in the legislative arena. GUC, in agreement with the Ministry of Foreign Economic Relations, has prepared a draft of "temporary changes" to the existing customs law, presenting it to the Economic Committee of the Council of Ministers (KERM) in March, with the expectation that it will be reviewed by parliament during the current term and be passed "still this year." In the TRYBUNA interview, Sekula describes three major changes proposed by the draft:

1) All border crossings will be subject to the central management of GUC. As it stands now, management of individual border crossings is relegated to the voivodships in which they are located, resulting in uneven management, with some voivodships "having neither the inclination nor the money to manage them" adequately. The proposed changes would allow GUC to organize "a financial consortium to build and manage border crossings."

2) Many "anachronistic regulations dating back to the 1960's" that actually limit the legal authority of the customs inspectors need to be eliminated. Instead, the draft law proposes the establishment of a General Customs Inspector (GIC) and "customs police," with the "necessary legal authority" to function effectively. When asked to further clarify the role of the customs police, Sekula attempted to assuage the anxiety reflected in the question by emphasizing that the customs police "by no means" is meant to be a "gendarmerie watching over the customs officers." Rather, its role "above all" is to uncover smuggling and also to prevent it, making it more risky and, hence, less profitable. To that end, the customs police would not only inspect the consignee and check documentation, but also "inspect the provenance" of goods for sale in stores, wholesales firms, warehouses, and street stands.

3) Sekula intends to appeal a recent decision by the Constitional Tribunal that views the collection of "processing and handling fees" (oplaty manipulacyjne) by the customs service to be a "fine" because the discontinuation of such fees would "severely limit" and even "paralyze" the functioning of the customs service. In particular, he views these fees as necessary to the wage fund, allowing GUC to pay its customs officers better. Last year alone, GUC collected Z645.6 billion in processing and handling fees, with over half of this amount going to "bonuses and awards." Without such fees, the average monthly salary of a customs officer would be only Z2 million (about $100), adding to the chances of smugglers "corrupting" customs officers.

A "no less important issue" is that of modernizing the technical equipment of the customs service, a project that Sekula estimates would cost $40-100 million, an amount that neither GUC nor the state treasury is in a position to finance. "Specialized firms," including IBM and ICL [the British computer firm International Computers Limited], have been invited to bid for the position of "systems operator" of this project. The systems operator—two may possibly be chosen—will have its initial investment returned, "with a profit," by charging the customs service a "fee" for the use of the system. In turn, GUC will save administrative and equipment costs and will be able to collect fees faster. It is expected that the system will be speeded up by using scanners that will read "any type of customs document," including SAD (the Standard Administrative Document of the EU [European Union], increasingly used in Poland) into the system and that this "will tighten the borders" throughout the country. The "brain" of the system, Sekula insisted, "will remain in Polish hands, in GUC."

Another technical innovation discussed by Sekula is satellite monitoring "of all trucks transiting Poland," required because of the frequency, as noted by the TRYBUNA interviewer, of trucks "disappearing somewhere in Poland"—a reference to increased reports of theft, hijacking, and the smuggling of goods. Sekula would also like to see the transiting TIR (the highly-regulated European "International Transport of Goods by Road" trucking system) vehicles placed on rail lines, a procedure that would be inititated "beyond Poland's borders"—for example, at bases in Magdeburg and near Berlin. Trucks would thus be "protected" on their way from Germany to Brest (in Belarus) or Medyka (near Przemysl, on the Ukrainian border), and drivers would be able to rest. According to Sekula, the Germans "are extremely interested in using rail lines for these trucks, but the drivers "from the east" are against it, "mostly because they receive a per diem of 35 German marks" and thus profit from the delays in the current system, "whether they are driving or waiting in line" to get through customs.

Sekula also discussed the issue of modernization and personnel expansion. Even though there are at present approximately 100 border crossings and 300 customs posts throughout Poland, employing about 10,600 people in the central and voivodship administrations, Sekula said, about 2,000 additional customs officers will be needed to assure a faster and fairer customs service. The border-crossing posts require rebuilding and modernization costing Z1.2 billion annually, which he expects will be funded by the financial consortia that would eventually earn "profits for the services rendered." A program for rebuilding the border crossings "is in place." Commenting on such efforts to modernize the service, the 14-18 March GPiH argues that "one dollar invested in strengthening the structure, including the hiring of new customs officers, is returned twice over in the form of greater returns of customs fees."

Former King Cancels Easter Visit

AU2904084194 Bucharest Radio Romania Network in Romanian 1900 GMT 28 Apr 94

[Text] We have received the following faxed communique from a Romanian Government spokesman:

The Romanian Government notes with interest and appreciation the clarifications made by the former sovereign's secretariat in its letter of 16 April 1994, in which the former sovereign informs the Romanian authorities of his desire to pay a visit to Romania for the Easter holidays, thus emphasizing the particular nature of the visit and the fact that he does not intend to contest the current constitutional order. On this basis, and proceeding from its determination to work for national reconciliation, the government invited Romania's former sovereign to visit the country and expressed its readiness to ensure the proper organization and development of the visit.

The invitation was accepted, in principle, by the former sovereign of Romania, agreeing that the details of the organization, the place, and the program of the visit should be worked out later. During the discussions held with the representatives of the former sovereign, the Romanian authorities presented several proposals, which took into consideration the desires expressed by the former sovereign and also arranged—with the appropriate protocol and organizational level—his activities, accommodations, and participation in religious services for the holy Easter holidays, as well as various meetings with people wanting to see the guests during the visit. The proposals forwarded by the Romanian authorities also envisaged the adequate protection and safeguarding of the guests as well as the avoidance of any actions liable to lead to a disturbance of the public order or the violation of the constitutional order.

Despite all of the arguments presented and the repeated assurances about the Romanian Government's readiness to best ensure this visit within the framework of its initially declared purpose, the representatives of the former sovereign eventually refused to continue the dialogue and go ahead with the visit under the accepted conditions. The Romanian Government regrets that the Romanian authorities' readiness for dialogue and goodwill did not meet with an appropriate response, the communique of the government's spokesman concludes.

The former sovereign of Romania has renounced his intention to visit Romania for the Easter holidays, George Antoniade, representative of the former Royal House, announced at a news conference. He was authorized by the former sovereign this morning to interrupt his talks with the Romanian authorities in connection with the planned visit to Romania. The reason given for this decision was that the proposals of the Romanian authorities on the organization and program of the visit were becoming increasingly more restrictive. Mr. George Antoniade said that, despite the amiable tone in which his negotiations were conducted, as the representative of the Royal House for the talks with the Romanian authorities, he found the alternatives offered by the latter for the visit unacceptable.

PDSR, PD Representatives on Joint Talks

94P20670A Bucharest AZI in Romanian 7 Apr 94 p 3

[Article by Iulia Rosca, Cristian Anghelache, and Marius Huc: "Will the PDSR Cross the Rubicon of One-Party Conceitedness?"]

[Text] The fourth round of PDSR [Social Democracy Party of Romania] and PD [Democratic Party] talks lasted four hours, despite initial predictions (two hours). Earlier, Ioan Solcanu (from the PDSR) speculated that the dialogue was in danger of breaking up because of some statements of Adrian Severin (from the PD). The leader of the PDSR delegation [Solcanu] told Nord-Est Presse: "We must be restrained." Solcanu was restrained only with the representatives of the press who were impatiently waiting for the end of the discussions. There was also a desire to formulate the intentions of the PDSR in less vague terms. Adrian Severin stated clearly that the failure to state these intentions in concrete form would lead to the cancellation of the discussions set for 20 April. Here are the statements of the leaders of the delegations:

Adrian Severin, deputy chairman of the Democratic Party: "It seems to us that we should have a round of discussions so that we can find out how things will be going from now on. We have agreed on some steps to be taken in the immediate future, but, I would like to express, at the very beginning, my concern about a certain impasse in regard to the capacity of this discussion to produce anything concrete.

"We decided that, prior to the next meeting, we must receive a very concrete response to the proposal for an agreement on political conduct (presented by the PD). Today we proposed the creation of six joint working groups, which would eventually be open to other parties in the opposition. There would be a group that would draw up a list of legislative priorities; a group analyzing situations in which the lack of independence of the judiciary is noted; a group that will analyze situations in which abuses or irregularities are noted in local administration; another group that would treat the issues of the politicization of economic agencies—making leadership positions in such organizations dependent upon party membership and the establishment of party organizations in enterprises and institutions. There is also a group that aims at the isolation of extremist parties and intolerant, xenophobic, and anti-Semitic movements.

"This is the concrete package of proposals that we made and to which we expect a response. We have also received a draft plan for parliamentary collaboration to which we will respond. Basically, this plan does not upset us. On the contrary, it is very welcome. But we cannot agree that the laws on reform should pass with only the votes of the PD and the CDR [Romanian Democratic

Convention], while the laws on restoration should pass with the assistance of the four parties that constitute the parliamentary majority, along with the PDSR.

"We also decided that, by the next meeting, each one of us would present a precise list of subjects related to a political pact and a pact on the management of the economy. The PD believes that these are preliminary moves in preparation for many discussions with the CDR, for the real restructuring of the current parliamentary majority.

"We are asking the PDSR to clearly state its views in regard to this possibility, even though we understand that some of the representatives of this party are afraid of losing the bird in the hand for two in the bush. We are alarmed by a certain lack of decision, an inability 'to cross the Rubicon,' 'to cut the Gordian knot,' lack of decision on the part of the PDSR, which slows things down. It is obvious that if we do not obtain anything concrete we will have to break off the negotiations set for the end of April."

Eugen Dijmarescu, Democratic Party senator: "The expectations were not too great for the fourth meeting but they were greater than what we achieved. I would say, in fact, that we achieved very little—actually, another postponement, when, in my opinion—a few months after the Democratic Party had put a draft national pact on the table and the PDSR had presented an alternative formula—the premises existed for moving on to the discussion of the main ideas which could lead to a document which we would offer as an opening to other political forces, with a view to the restructuring of the parliamentary majority. The PDSR came up with a proposal on the achievement of an agreement on parliamentary cooperation between the two parties, with more limited point-by-point objectives compared to the national pact. Unfortunately, the PDSR presented it late, the night before the meeting, making it impossible to have a thorough discussion and to put it in a form in which it could be signed quickly. Therefore, we proposed that both parties reexamine both documents more carefully, that they also reach an agreement on their behavior, with a moratorium on agression and, possibly, set up joint working groups on matters related to reform and all that the transition signifies."

Ioan Solcanu, deputy chairman of the PDSR: "It was a meeting at which we evaluated the status of consultations between the two parties and we agreed that we should go beyond the listing of theoretical possibilities and take concrete steps. Therefore, we presented a draft of a political pact which is certainly subject to improvement. This is why we presented it in this form. It would have taken some time to discuss the draft at the current session since we are not in agreement about the stage at which the respective draft was drawn up. We decided that this possibility of drawing up principles and subject matter for a draft of a political accord and a draft plan for economic management would be on the agenda for a future meeting between the two parties. Also, the PDSR presented a document on an agreement on parliamentary collaboration and the PD presented a draft agreement on political conduct.

"We agreed that the point-by-point development of the two documents presented by the two parties would be on the agenda for the next meeting."

Negotiation Group Begins Talks With Karadzic

LD2904093894 Belgrade TANJUG Domestic Service in Serbo-Croatian 0908 GMT 29 Apr 94

[Text] Sarajevo, 29 Apr (TANJUG)—The newly formed group for negotiations with the Serbs and Muslims in Bosnia, consisting of U.S., Russian, European Union, and UN representatives, arrived in Pale today and immediately began talks behind closed doors with a republic of Srpska delegation led by President Radovan Karadzic. Members of the group held talks with Muslim leader Alija Izetbegovic in Sarajevo last night.

Group Meets with General Rose

AU2804151994 Paris AFP in English 1452 GMT 28 Apr 94

[By Bernard Besserglik]

[Excerpts] Sarajevo, April 28 (AFP)—A group of special foreign envoys held talks Thursday [28 April] with UN Bosnian commander General Sir Michael Rose amid controversy over his remarks castigating Bosnian Moslems for trying to drag the UN into the war in Gorazde. Envoys from the United States, Russia and Europe—a special contact group which has been given a week to look into ways of resuming the bogged down Bosnian peace talks—held talks with Rose, UN civil affairs coordinator for Bosnia Viktor Andreyev and his counterpart for the whole ex-Yugoslavia, Sergio Vieira de Mello, a spokeswoman said. [passage omitted]

Envoys from the special contact group here were named as Charles Redman and two assistants, Nick Lang and Hoyt Yee, representing the United States, Alexey Nikiforov, deputy to Vitaliy Churkin, the Russian envoy to former Yugoslavia, David Manning and David Ludlow of Britain, Michael Steiner of Germany, and French envoys Jean-Pierre Masse and Jacques-Alain de Sedouy. The envoys had not yet drawn up an agenda. The Bosnian authorities had been in touch for possible contacts, the spokeswoman added. An UNPROFOR spokesman said earlier that the envoys were operating individually and dispersing around the city.

The envoys were also to travel to Pale, the Bosnian Serb stronghold some 15 kilometres (10 miles) east of the city, for talks with separatist leaders who hold 70 percent of Bosnian territory and have proclaimed a breakaway republic. The international community is attempting to create impetus for negotiations following a NATO ultimatum that obliged Serb forces to withdraw from the immediate vicinity of Gorazde and pull back their heavy weapons to a distance of at least 20 kilometres. [passage omitted]

Silajdzic Briefs Media on Talks With Rose

AU2804143994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 28 Apr 94

[Report by Senada Cumurovic]

[Text] The aggressor forces have not yet fully withdrawn to the distance of 3 km from Gorazde. This was confirmed this morning by Bosnia-Herzegovina Prime Minister Haris Silajdzic after his talks with General Michael Rose, commander of the UN forces in Bosnia-Herzegovina, and Sergio De Mello, head of the United Nations' civilian sector for the former Yugoslavia. Senada Cumorovic reports:

[Cumorovic] General Michael Rose briefly said that he talked to Prime Minister Silajdzic today about some details and the UNPROFOR [UN Protection Forces] plans for Gorazde, not specifying what actually these plans were. In a statement for journalists, Dr. Haris Silajdzic was somewhat more specific concerning the topics of and the reasons for today's meeting with Rose and Sergio De Mello.

[Begin Silajdzic recording] We are discussing the situation in Gorazde. The aggressor forces have not withdrawn yet from Ljubcici and some other places inside 3 km. On the whole, they have withdrawn but [words indistinct]. This is where the problem is. We also have a report from our forces that some heavy weapons are still inside the 20 km radius [words indistinct] heavy weapons of the aggressor side. We want to be completely clear as to what this means. General Rose has therefore promised that he will today study the photographs taken from the air in order to establish whether the Serbian heavy artillery is still inside the 20 km radius. [end recording]

[Cumurovic] In addition to military issues, they also discussed the normalization of life in Gorazde.

[Begin Silajdzic recording] We are currently discussing the situation concerning water. The question of water is acute. You know that the civilian population is now receiving water from the springs that are not quite hygienic. We are afraid that some disease does not break out. Therefore, we will work toward the immediate repair of the water system, which, as you know, was destroyed by the aggressor forces before they withdrew. [end recording]

[Cumurovic] As regards journalists' question, we will single out the one concerning the continuation of negotiations in this phase of the peace process. Dr. Silajdzic takes the view that restarting the peace process could make sense only if the Serbs honor the ultimatum, because this is a matter of the credibility of the international community. Without that credibility we cannot talk about negotiations [words indistinct] sense, Dr. Silajdzic told journalists. Following the statements for journalists, and General rose's departure, Prime Minister Silajdzic continued talks with Sergio De Mello, head of the civilian sector of the United Nations for the former Yugoslavia.

Izetbegovic Sets Two Conditions for Settlement

AU2804192194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 28 Apr 94

[Excerpt] Members of the contact group—consisting of representatives of the United States, Russia, the United Nations, and the European Union—held the first round of talks in Sarajevo this afternoon. The members of the group were received by Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, and Prime Minister Haris Silajdzic. Mladen Bosnjak reports on what they told journalists after the talks:

[Bosnjak] After the talks, which lasted quite a long time, Alija Izetbegovic, France's Jean-Pierre Masset, and Charles Redman, the U.S. representative in the contact group, addressed journalists.

What Jean-Pierre Masset said could be summed up as follows: The main task of the group is to find ways to restart the diplomatic and negotiation process.

Alija Izetbegovic, president of the Presidency, was considerably more specific and clearer:

[Begin Izetbegovic recording] Of course, the question of a cessation of hostilities was raised. We said here that [words indistinct] Gorazde. We told the contact group that we had just received a report that Serbian forces had not left the 3-km zone. There is also a lot of Serbian artillery and Serbian arms inside the 20-km radius. We said that under these conditions we cannot negotiate. They (?told us that) they are going to Pale tomorrow and will return from Pale sometime in the afternoon. We will continue the talks then.

We took this opportunity to raise objections, to draw attention to the fact that the machine for murdering and destroying towns, this big, massive machine, the (?Serbian) artillery that the Serbian side has near Gorazde, is, according to our information, now being deployed in other locations with the task of (?destroying). We fear a new Gorazde in Bosnia-Herzegovina.

We expressed our regret that the opportunity had been missed finally to remove and destroy this war machine. In our view, this would have created the conditions not only for peace in Bosnia-Herzegovina and the immediate removal of a great danger of new conflicts, but also for a future of peace in Bosnia-Herzegovina. As long as this machinery exists, there are no conditions for stable peace in Bosnia-Herzegovina or in the wider region.

We said that we favor talks. To put it in the simplest terms, there are two conditions for the negotiations to end successfully. These consist of respect for the sovereignty and integrity of Bosnia-Herzegovina. We do not want the country to be divided. This is the first condition. The second is that the Chetniks withdraw from occupied Muslim and Croatian regions. These are the two conditions that we are setting. In this context, we will provide the group with maps drawn in the way we see them, and we will present them to the group in the near future, perhaps even next week, when they come here again.

We also stressed our view that peace in Bosnia-Herzegovina cannot be separated, that a solution for Bosnia-Herzegovina cannot be separated from the overall solution in the former Yugoslavia. It cannot be separated from the situation in Croatia, Serbia, Kosovo, or Macedonia [the Former Yugoslav Republic of Macedonia—FYROM], and from our point of view, it cannot be separated from the situation in Sandzak in particular. We [words indistinct] Sandzak. We found out here that two working groups are operating. One is the contact group working on Bosnia-Herzegovina, and another is working on the rest of Yugoslavia.

We pointed out that we did not think that this was the most ideal solution, and that it would be good if these problems were unified since the problems are impossible to separate. As regards the cessation of hostilities, of course, it must only be temporary. I am thinking in terms of two or three months during which a political solution should be found. After all these attempts so far, one cannot be an optimist. However, I must say that this is currently the strongest group that has become involved thus far. Virtually all the relevant bodies in the world are represented here, first the United States, then the European Union, the United Nations, and finally, which is very important, the Russian Federation. This is very important. We think that it can play (?an important) role. It has so far been absent from these negotiations and this was perhaps [word indistinct] the way to solve this issue. Its involvement can help in (?finding) a political solution. [end recording] [passage omitted]

Serbs Reportedly 'Entrenching' in Gorazde

AU2804150794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 28 Apr 94

[Report by Fahrudin Becic from Gorazde]

[Text] Not only have they not withdrawn to the distance of 3 km, but the chetniks are also entrenching as close as 1 km to the city center. At about 1300, a small group of them came down to UNPROFOR [UN Protection Force] personnel carriers situated some 350 meters from the hospital. With UNPROFOR approval, the chetniks are continuing settling their civilians inside the 3 km zone. This is what is happening in Zubcici, south of the town. This is what is happening east of the town, in the suburbs of (?Fazagici) and (?Pubjeri).

One should also say that all these three villages are villages that were populated exclusively by Muslims before the war. A (?similar) situation is in Kopaci, which is more than 3 km from the city center. The chetniks are also settling people there. Looting on the entire occupied territory is drawing to an end. According to the information of the Army of Bosnia-Herzegovina in Gorazde, artillery weapons have not been removed from the majority of the strongholds between Cajnice and Foca.

Of course, in some cases, they were only redeployed to new positions, close to [words indistinct] This refers to (?Nekopi), Zebina Suma, [word indistinct], Djakovici, and many other locations.

This is Fahrudin Becic reporting for the Radio and Television of Bosnia-Herzegovina.

Serbs Reportedly Preparing Offensive on Brcko

AU2904093394

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 29 April carries in its regular 6-minute newscast three reports on the military situation in the republic.

Brcko correspondent Hamid Deronjic reports that "overnight, the Serbian aggressor concentrated the greatest amount of manpower and equipment since the beginning of the preparations for the resumption of the offensive on the free Brcko territory. Chetnik transport helicopters, flying at low altitudes, [words indistinct] flights on the Ovcari-Brcko route. An influx of an immense quantity of motorized [words indistinct] was also registered from the direction of Ovcari. Up until 2200 on the Ovcari-Brcko route, the movement of heavy transport and combat vehicles of the Serbian aggressor could be heard. Our reconnaissance scouts were unable to register [words indistinct] of chetnik reinforcements outside the Brcko area. The concentration of enemy armored- mechanized hardware was registered last night on the central part of the Brcko front, Cadjavac, and Bijelina Ravna. The temporarily occupied Brcko is full of chetniks; the town is literally overflowing with chetnik phalanxes, which are causing increasing problems even for the citizens of Serbian nationality. According to our reconnaissance sources, Brcko Serbs are afraid to leave their homes for fear that they might be robbed [words indistinct]."

An unidentified correspondent reports on an extremely poor line that "chetnik activity in the 4th Corps theater of operations, or more precisely, on the Konjic and Bijelimic fronts [words indistinct]. In addition to anti-aircraft machine gun and small arms fire at the defense lines and suburbs of Konjic, Karadzic's followers early this morning fiercely shelled the residential areas in Glavicine. At the time of filing this report, the offensive activity has decreased somewhat. There was no offensive activity of the Serbian-Montenegrin aggressor on the southern part of the front, while the separation lines between the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO] [words indistinct]. However, we must say that the implementation of the Washington Agreement in this area is progressing very slowly simply because the HVO still has not given up on its intention to divide Mostar."

Gracanica correspondent Izudin Durakovic reports that "the aggressor continued provocations overnight, although mainly from a distance. Using 82-mm mortars from Besanj, 122-mm howitzers from Jajcevac, and tanks from Sjenina, the chetniks shelled Obric and Mujanov Mezar. They tried to use the shelling to infiltrate small subversion groups, which the defenders discovered in time. During the night, the chetniks carried on regrouping their manpower and hardware, which implies that they will today continue their offensive activity on the northern part of the Trebava [River] front."

UNPROFOR 'Worried' About Brcko

AU2804152494 Paris AFP in English 1507 GMT 28 Apr 94

[Text] Zagreb, April 28 (AFP)—The UN Protection Force [UNPROFOR] is worried by growing tension in Brcko, north-east Bosnia, one of the main hotspots in the war-torn country, an UNPROFOR spokesman said Thursday [28 April]. "Brcko is an area of concern to us. It's something we are looking at very closely," Matthew Nerzig said.

There has been no serious outbreak of fighting to date but Brcko remains "a general area of tension, a possible flashpoint," the UN spokesman went on. Since the Serb withdrawal from Gorazde, eastern Bosnia, earlier this week, NATO and UN sources have expressed worries that the Serbs might attack in Brcko in order to widen the corridor linking the territories they control in Croatia and Bosnia with the rump Yugoslavia. For the moment, there is nothing to suggest that the Serbs have moved their heavy weapons north, the UNPROFOR spokesman said.

"There is no indication that the weapons that have been withdrawn out of the Gorazde area are moving all together in a consolidated, unified combat form to some other location." However, there are practical difficulties for the UN in attempting to cover the situation in Brcko where it has no military observers at present. The Serbs have to date objected to any UN presence. The 50 UN military observers deployed in areas controlled by the Serbs—out of a total of 256 in the whole of Bosnia-Herzegovina—are still subject to varying degrees of restrictions on their movements. "In some areas it is quite restricted but in others, such as Sarajevo, the freedom of movement is much better," Nerzig said.

Serb forces held dozens of UN personnel hostage for over a week immediately after the North Atlantic Treaty Organisation launched air strikes on April 10 and 11 against the Serbs attacking Gorazde.

Serbs Prevent Aid Convoy From Reaching Gorazde

AU2804201894 Paris AFP in English 2002 GMT 28 Apr 94

[Text] Sarajevo, April 28 (AFP)—Bosnian Serbs are demanding that all aid convoys for the Moslem enclave of Gorazde start from Belgrade, the aid organisation International Action Against Hunger (AICF) said Thursday [28 April]. The Serbs have already halted a convoy organised by AICF in Sarajevo and bound for Gorazde, the aid agency said.

"Only UN Protection Force [UNPROFOR] military convoys are authorized by the Bosnian Serbs to travel from Sarajevo to Gorazde," according to Beatrice d'Ervau, spokeswoman for the humanitarian group. The group's convoy in Sarajevo was originally to have been escorted by UNPROFOR, but the Serbs refused to allow UN involvement. They demanded that the convoy be protected by Serb militias, which was unacceptable to the organisers.

On Wednesday, an International Committee of the Red Cross convoy arrived in the eastern Bosnian enclave after being held up for several days in Pale, the Bosnian Serb self-proclaimed capital. A NATO ultimatum which eventually sparked the Bosnian Serb withdrawal from around Gorazde included a demand that aid convoys be allowed unimpeded access to the enclave, which was under Serb assault for three weeks.

UNICEF Spokesman on Conditions in Gorazde

AU2904124294 Paris AFP in English 1200 GMT 29 Apr 94

[Text] Sarajevo, April 29 (AFP)—Gorazde is "basically a ghetto" which can expect "serious health problems" over the summer as a result of the destruction of the town's sole water purification plant, an aid worker said Friday [29 April]. Although all the town's population, estimated at more than 50,000 people, had shelter, there was "very serious overcrowding" with the town's three remaining schools—two others were completely destroyed—used as collective centres, Ryan Grist, of the United Nations Children's Fund (UNICEF), said after a five-day visit.

There were two sources of good water where people had to spend long hours queueing: "the problem is not quality but quantity." Though there was "a lot of destruction" in the town, Gorazde was "not a Vukovar", the eastern Croatian town that was almost totally flattened by three months of Serbian shelling in late 1991. However in the areas reached by the Serb offensive, "every house was gutted," Grist said.

On Wednesday [27 April], during a visit to the Gorazde, UN commander in Bosnia-Herzegovina General Sir Michael Rose said there was "not as much destruction as (he) expected." On reports that the number of casualties during the three-week onslaught on the town had been inflated, Grist commented: "There was complete terror and horror; if I'd been there, I too would have exaggerated."

Following the first evacuations of the wounded from Gorazde Monday, UN sources suggested that the numbers of killed and wounded might have to be revised downwards by as much as two thirds.

The representative of the UN High Commissioner for Refugees, Peter Kessler, has consistently defended his organisation's estimate of more than 700 killed and almost 2,000 wounded. A Nordic battalion has located "a further 70 to 100 seriously wounded people in difficult access regions" of Gorazde who he hoped would be evacuated out of the town Sunday [1 May]. They were "apparently heavily wounded" and would be transferred to the city centre Saturday [30 April], he said. Many of those evacuated to Sarajevo in a three-day operation earlier this week were seriously affected by infection and malnutrition, Kessler said. Up to 25 were to be urgently evacuated to France, Ireland and Denmark Saturday, depending on their condition.

A 14-truck UNHCR convoy carrying 68 tonnes of wheat flour and family packages left Belgrade early Friday and was expected to arrive in Gorazde later in the morning, Kessler said. He added that following several "administrative delays" imposed by Bosnian Serbs in eastern Bosnia, his organisation had reminded them of their obligation to allow unhindered freedom of movement for humanitarian convoys.

Croatia Supports Lifting of Arms Embargo

LD2904084494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0700 GMT 29 Apr 94

[Text] The survival of the federation of Bosnians and Croats will directly depend on their ability to resist Serb aggression, and in that context Croatia supports the lifting of the arms embargo, the Croatian Embassy [in Bosnia-Herzegovina] said in a statement. Talks aimed at reaching peace and finding a negotiated solution to the crisis still remain the best option, which Croatia resolutely supports. But the way in which the Serb side is abusing the peace process shows that diplomatic efforts must be backed in the future by a credible threat of force. This is why Croatia supports the UN secretary general's initiative that the response to the militant Serb policy should, as the last resort, be NATO air strikes, the statement says.

Croatia Reportedly Preparing Attack in North

LD2904101794 Belgrade TANJUG Domestic Service in Serbo-Croatian 0836 GMT 29 Apr 94

[Excerpts] Banja Luka, 29 Apr (TANJUG)—The Republic of Croatia is by all accounts intensively preparing for an imminent attack on the Serb positions in Posavina, the press center of the republic of Srpska army's First Krajina Corps said in a statement today, citing well-informed sources. Croatia's army has recently accumulated units and military equipment in Posavina, on the left bank of the River Sava, mainly in the wider areas of Slavonski Brod and Zupanja. According to the same source, large numbers of Croats and Muslims from Posavina are members of these units, and some new units have also been founded. [passage omitted]

The press center notes that Croatian media have recently carried an increasing number of "reports" about the Serbian side's preparations for attacks against the

Croatian positions in Posavina. This is a typical form of media preparations: an attempt to condemn the Serbian side in advance before strong Croatian-Muslim attacks begin. [passage omitted]

Swedish UN Soldier Injured in Sarajevo

AU2904110594 Paris AFP in English 1037 GMT 29 Apr 94

[Text] Stockholm, April 29 (AFP)—A Swedish UN soldier was injured Thursday [28 April] in Sarajevo when he stepped on a land mine near Mount Igman while on patrol duty, the Defence Ministry said Friday [29 April]. 21 year-old Kristoffer Melinder, of Sweden's Ninth Company, suffered a fracture and splinters to a leg and was taken to a French hospital for surgery. The 9th Company, part of the joint Nordic peacekeeping force, is currently in Sarajevo to supervise the ceasefire. In total, there are over 880 Swedes in the Nordic battalion.

Croats Urge Muslims To Release POW's

LD2804191994 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 28 Apr 94

[Excerpt] Kresimir Zubak, the president of the Presidential Council of Herzeg-Bosna, has sent a letter to Bosnian Prime Minister Haris Silajdzic calling on him to urge the Muslim side to fulfill all remaining obligations from the agreement on exchange of prisoners. Zdenko Vranjes reporting.

[Vranjes] In a letter to Silajdzic, Kresimir Zubak says among other things, that the Bosnian Muslim side has not yet supplied information on the fate of 26 Croats taken from Bugojno, as was set out in the agreement on the exchange of all remaining prisoners. The Croatian side has fulfilled all its obligations from the agreement.

Zubak also notes that Bosnian representatives from Bugojno did not come to a meeting yesterday, either. The Croatian side was thus let down for the third time since the beginning of the process of exchanging all remaining prisoners, the letter stresses. Zubak also asks Silajdzic to exert his personal influence to solve this problem that burdens Croat-Bosnian relations. Zubak also informs Silajdzic in his letter that, in line with an agreement, the Croatian side has appointed its members into a joint expert group which is to deal with the delineation of cantons.

At a session held today, the government of the Croat republic of Herzeg-Bosna demanded the Bosnian side fulfill its obligations from the economic sphere, as agreed between representatives of the Herzeg-Bosna government and the government in Sarajevo. The need to elect as soon as possible the leaders of the federation was also stressed. This would finally create one of the basic conditions for the functioning of the constitution [of the federation]. [passage omitted]

Delic Views Army's Military Progress

AU2804164494 Ljubljana OSLOBODJENJE (European Edition) in Serbo-Croatian 22 Apr 94 pp 16,17

[Interview with Rasim Delic, commander in chief of the Army of Bosnia-Herzegovina, by Rasim Cerimagic on 15 April 1994; place not given: "The People and the State Are Surviving"]

[Text] [Delic] The Army of Bosnia-Herzegovina [the B-H Army] has not allowed the aggressor to occupy our country, to destroy the Bosniak people and others who stood up for Bosnia- Herzegovina as their motherland as well. The B-H Army militarily defeated the Croatian Defense Council [HVO], and brought it to the negotiating table. Given the mediation of the United States, those efforts have resulted in the federation of Bosniaks and Croats in Bosnia-Herzegovina, which is what the Bosnian delegation proposed at the negotiations a year ago. In addition to these results and the enlargement of the free territory, the B-H Army has also been cleaning up its own ranks, has grown stronger in terms of organization, and has finally reached the stage when those who are familiar with the results are calling it a real army. That is a great compliment for us. We know best our weaknesses. There is a plenty of room for us to strengthen the organization and introduce even more order and discipline.

We have a vision of how the B-H Army will look in the federation, and what it will be like in the future. Of course, all those plans are supposed to be financially, morally, and politically covered. We are continuing to work on self-filtration, because there are still those who use their uniforms to cover up some completely different goals, be it criminal activities, intelligence gathering for the enemy, or their ambitions for military careers. We have to understand that the war is still going on, that the B-H Army is here to protect the people and the state, so one ought to help it in every way for the army to become even more than it has been so far: a guarantee enabling our government to discuss the future of Bosnia-Herzegovina on equal terms, thereby making it possible to achieve a just peace and freedom for this country. The B-H Army is not an alien self-creation, it arose from and is still a part of our people, to whom I want to express my gratitude for everything it has done for the army.

[Cerimagic] This is a response of General Rasim Delic to the question of what strategic goals our army has achieved in the past two years of the aggression against Bosnia-Herzegovina by the Serbo-Montenegrin aggressor and the HVO. Although it was Army Day, the day of its foundation, that was the only question related to the achievements reached in the past two years. The severity with which Gorazde is being attacked, as well as the attacks on other territories, determined the content of the interview with the commander in chief of the B-H Army, which took place on 15 April 1994.

[Cerimagic] The global strategic goal of the Serbian aggressor is the creation of a 30-km belt on the Bosnian side of the Drina River, while Gorazde, Zepa, and Srebrenica are three enclaves that stand in the way of the Serbs' accomplishment of their ancient dream. What induced the aggressor to take the risk of NATO intervention at such an unfavorable moment, and attack Gorazde, even though it was beleaguered and represented no serious military threat?

[Delic] At this stage the creation of a 30-km belt on the Bosnian bank of the Drina is certainly not their global strategic goal. Because, by surrounding those three enclaves, the aggressor has created conditions to solve a long-term problem by pressuring citizens to leave the region. This is from the aggressor's point of view, of course. However, at this stage, the goal of the Serbs is to ease the pressure that is being exerted on them. They want to turn the existing occupation into a factual-legal state at the negotiating table. By carrying out attacks against the free, that is, safe zones of Gorazde and Bihac, which the Serbs know are very difficult to help in any concrete way, because they are surrounded, and that we will demand intervention by the international community, they are trying to legitimize their conquests. When we turn to the United Nations to demand protection and the return to the initial state on the ground, the Serbs then demand a lasting cease-fire, and the positioning of UNPROFOR troops between the warring factions, as they put it. Thereby the situation on the ground would be frozen, with Bosnia-Herzegovina in the same situation as Cyprus or Lebanon. The situation on the ground would turn into a lasting occupation, while in that way the aggressor would establish its para-state. That is a Serb goal, and for that reason, despite the strong international political pressure, and now even military, they have taken the risk of foreign intervention.

[Cerimagic] There are opinions, to put it metaphorically, that the Serbs in pounding Gorazde are not destroying the town alone, but rather the Bosniak-Croatian federation.

[Delic] Certainly, the Washington Agreement and the military steps that have been taken in the field have caused alarm among the Serb aggressors, and probably also fear. This is because in reality the federation means a deployment of large numbers of troops jointly by the B-H Army and the HVO. As for the HVO, there are no guarantees that they would be engaged in any further fighting, but the B-H Army, having saved forces that were deployed against the HVO until yesterday, has created the conditions for taking up offensives for the legitimate liberation of Bosnia-Herzegovina. The remarks about the B-H Army being active on the front are absurd, because the only legitimate force is the B-H Army, and it is only the deployment of B-H Army troops that is legitimate in any part of Bosnia-Herzegovina. It has a right to take action on any part of the territory, to liberate it from the Serb-Montenegrin occupation. Therefore, the aggressor is doing everything to prevent the implementation of the Bosniak-Croatian federation.

[Cerimagic] How do you comment on the statement by war criminal Ratko Mladic, that, in his opinion, there will be even more raids by Phantoms, so that any aircraft attacking Serb positions will be downed?

[Delic] Well, he is probably frank in saying so, because, according to our intelligence, the Serbs are not giving up their goal, that is, to cleanse the right bank of the Drina, and perhaps even more than that. For that reason he is implying new raids by Phantoms....

Mladic's threat that they would fire on any object flying in the airspace over the Serbs' positions is an attempt to divert NATO from carrying out any further air strikes, and also an attempt to freeze the current situation on the Gorazde front. He would be satisfied if the current situation were frozen, since he is near Gorazde, and that the Serb paramilitaries may continue to torment Gorazde with their snipers. However, our attitude is explicit and consistent: We demand that the Serb aggressor pull back to the positions that it held prior to the latest offensive....

[Cerimagic] How do you assess the role of General Rose in the Gorazde case?

[Delic] General Rose is certainly in a position where at the same time he must carry out his task as a member of the international forces, and implement the policy of his country. I can see everything that he, as a commander and a man, wants to accomplish. His job is certainly very difficult. However, he should himself explain why he has taken certain actions. I was sending him information on a daily basis about preparations for the offensive against Gorazde and its course, together with concrete data on the number of shells, the directions from which the enemy troops were coming, and from which their attacks were carried out. However, the information that was forwarded to the United Nations by UNPROFOR stated that there were only skirmishes, and that there were no attacks, right up until the moment when the situation in Gorazde became worse than critical. Therefore, his conduct is probably a part of the policy pursued either by the international community or by certain countries. Not only the interests of Europe and the United States, but also some particular interests of certain European countries, are breaking over Bosnia. After NATO's intervention and the air strikes, the absurd accusation was issued that the B-H Army was shelling Serb positions. That is really absurd. The international community has bound us hand and foot by imposing the arms embargo against us so that we cannot defend ourselves. It has done the same thing to Gorazde, while at the same time doing nothing to protect the town, despite our warnings. The Gorazde zone is not only the town of Gorazde, but also the free territory of Gorazde, and at the time when the United Nations was speaking about peace in Gorazde, before the latest offensive, and when the town itself was not being so heavily shelled, our positions toward Ustipraca, Foca, Mesici, and Rogatica were being shelled. Which means that the focus of attacks was moved from the town of Gorazde to its surroundings. UNPROFOR and everybody else ought to know that the safe zone of Gorazde is much broader than the town itself, and it is supposed to be defended just as the town is. It is absurd to claim that the B-H Army, or the forces of the Eastern Bosnian Operative Group, were disregarding a cease-fire that did not even exist before the aggression. Obviously, this is an attempt to spread the blame again, which has produced very negative effects so far. We demand from the UNHCR and the international community to implement fully what they proclaimed with their resolutions. If they are not capable of doing that, they should say so publicly, and allow us to defend ourselves. I think it is about time that they did so.

[Cerimagic] Can it happen that a similar situation is repeated in Bihac, where the B-H Army controls some 30 km of the railroad from Knin to Banja Luka, which is of vital interest to the Serbs?

[Delic] That is already happening. Even now forces from the Knin Krajina, Banija, Lika, and Kordun, the regions pacified by the agreement between the Krajina Serbs and Croatia, are being brought in. All the relevant international factors engaged in the problem of former Yugoslavia have already been informed in time about these activities by word of mouth, as well as through letters. For instance, on Tuesday I told General de Lepresle and Mr. Akashi that uncommitted forces from the UN Protection Areas in the Knin Krajina were being redeployed in the Bihac region. Hardware and manpower are being brought in, while attacks against Bihac are being carried out even from within the UN Protection Areas.

Therefore, what I said about Gorazde also applies to Bihac. By using the UN Protection Areas, the aggressor wants to force the international community to intervene. Since the international community always looks for balance and culpability on both sides, it will try to reconcile the warring factions, as it puts it, thereby making the attacker equal to the victim, and to pacify the situation in Bosnia-Herzegovina in such a way. One thing is for sure, however, that if the aggressor fails to capture Gorazde, that is, to freeze the situation on the ground, the same scenario will be played out in the case of Bihac. Tomorrow the same will be done in Srebrenica and Zepa. In that way they will force the Government of Bosnia-Herzegovina to accept the state of affairs on the ground, and start talks in which we would get the short end of the stick, that is, the conditions that we demand would not be fulfilled, and what we demand is the relinquishing of territories seized by force.

[Cerimagic] One can say that the aggressor is suffering military defeats as well. Their propaganda presented their defeat on the Maglaj front as an agreed withdrawal. Can you give us a short description of the action by our army?

[Delic] We had a very difficult situation in Maglaj, with which the international community was familiar. We demanded from the international community, and in the first place UNPROFOR, to help Maglaj, to have at least convoys with food reach the town. However, each time UNPROFOR was halted just before the town. In the end, we started an campaign to lift the blockade. We carried out operations inside as well as outside the ring. As part of the preparations for the final lifting of the blockade, the 201st Maglaj-Vitez Brigade liberated a considerable swathe of territory southwards, toward Ljesnica, and other regions, enabling us to come as close to our forces as possible. The same thing was done by other units in the territory controlled by the 7th South Operative Group. We also prepared a push from the direction of Doboj and Gracanica, while at the same time we were planning an operation for breaking the ring around the 7th South Operative Group.

Operations on such a scale cannot be planned, prepared, and carried out in a short time. By deliberately stretching the aggressor's forces and conducting raids our units broke through to the section where the 7th South Operative Group was to be unblocked. We threw in units of our 2d and 3d Corps. That was a huge amount of military force. We even planned to overrun HVO units if they obstructed our action. However, the situation that was brought about by the Washington Agreement created the opportunity for the HVO, if nothing else, to be passive and to let our forces through. The Serbian paramilitary formations already had intelligence reports on that. We have recordings of Serbian commanders demanding that their troops urgently pull out, in order to avoid being totally surrounded. Because if we had cut them off on the right bank of Bosna River, from Zavidovici to Maglaj, and on the other side from Novi Seher, two Serbian brigades would have been fully encircled. Their commander knew that. He demanded their urgent withdrawal, because it was a question of hours, rather than days. He sought a location to escape to, and he succeeded in finding one. That this is not mere boasting is shown by the results that we achieved later in the region. By deploying part of the forces that had liberated Maglaj, we also liberated territory toward Teslic, Doboj, and additional territories around Maglaj. All this proves that it was an excellently prepared military action, and I think it is high time that our people understood that one cannot instantly respond to attacks, as in the case of Gorazde. We are a serious army now. We have to plan seriously, work out, and then carry out operations. Time will produce an answer to the situation in Gorazde as well. Many serious things are happening to the Serbian aggressor in and around Gorazde. That town cannot be physically helped, but there are ways of helping it indirectly. And we are doing this.

[Box, p 17]

[Cerimagic] The aggressor might not have dared to attack Gorazde again, if the Rogoj, Trnovo, and Grebak passage, thorough which the fighters and people of Gorazde were getting logistic support from the free territories, had not fallen last year. How could it happen that such a vitally strategic territory was so poorly defended, and eventually fell into the hands of the aggressor?

[Delic] One should know that it is a vast and rather unpopulated area. For that reason it was not possible for us to amass and deploy enough troops from the local population. The B-H Army has never had organized logistic support. Our army does not have any established logistic institutions, as is the case with the Serbian para-army that inherited from the Yugoslav People's Army everything that it needs. Throughout the war we have been organized in such a way that it is mostly local populations that defend their territory, while on Mount Igman we could not provide the manpower to defend such a vast territory. In such cases, when citizens start leaving, then the army also leaves. Unfortunately, this was the case in Trnovo.

In addition, the aggressor's propaganda had a great psychological impact. Of course, there were many individual mistakes up there on Igman. For a long time there was no fighting, so in such a situation a power struggle developed, while war profiteering and smuggling bloomed. In addition, at the time we had paramilitaries among our own army, various units that were outside the system. On Igman and the Grebak passage there were 10 or so units whose names were extremely flamboyant, but actually had rather few people, and were outside the single command and control network. We have even information that some of our people were working for the enemy. True, they controlled only smaller units, but when the investigation started, they fled over to the enemy side. Among them is Nijaz Zorbic, commander of the Silver Fox unit, who fled through chetnik-controlled territories, and is reportedly in Spain now. The investigation has shown that there are even more of such people, who arbitrarily withdrew their units from the front during the offensive.

UN Military Observer Head Discusses Gorazde

BR2804152794 Rotterdam NRC HANDELSBLAD in Dutch 27 Apr 94 p 1

[Interview with Netherlands Brigadier General G.J.M. Bastiaans, head of the UN military observers in the Federal Republic of Yugoslavia, by Marjon van Royen in Zagreb on 27 April: "'Muslims Provoked Attack on Gorazde,' Netherlands UN General Says"]

[Text] Zagreb, 27 Apr—"It was the Muslims who provoked the Serbian attack on Gorazde. The Serbs perhaps reacted 'excessively.' But ultimately it was the Muslims who pushed the Bosnian Serb Army to the bloodbath of the civilian population of Gorazde with continual provocations."

This was said by Netherlands Brigadier General G.J.M. Bastiaans in his office in the UNPROFOR [UN Protection Forces] headquarters in Zagreb. General Bastiaans is the head of the UN Military Observers (UNMO) in the former Yugoslavia. After the limited air strikes on a number of Serbian tanks around Gorazde, 50 of his observers were taken hostage in the area by the Bosnian Serbs.

But that is not the reason, Bastiaans said, why he had so many questions about the eagerness of calls for tough action against the Serbs in recent weeks. "Dropping lumps of iron has consequences. The Serbs really do not think: Let us just accept this. Air strikes change the relations. They end the possibility of further negotiations. Anyone who had thought that this was not true, really is not of this world," Bastiaans said.

The general is convinced that there was a "propaganda campaign" around Gorazde by the Muslims. Everyone, including NATO, had walked into it with open eyes," he said. "They used all the parties," Bastiaans continued. "The Muslims provoked the Serbs with shootings and harassment to such a point that they had little option other than using the heavy weapons."

When asked whether he thought that action should be taken in Gorazde, Bastiaans answered: "That is perhaps what public opinion in the Netherlands and elsewhere in the world wants. But you must not forget the role played by the Muslims in the conflict.

Looking at it in purely military terms, the Muslims have superiority of numbers and a lack of heavy weapons. With the Bosnian Serbs, things are the other way around. Small arms fire, as used by the Muslims, does not appeal to public opinion. However, big bangs ringing in the ears of the civilian population certainly do. If, as was also the case in Sarajevo, you then ensure that the Serbs come under fire from within a city, they will respond. In so doing, you can be sure that some of the civilian population will be hit. That can then be filmed later on. And it is not very nice to look at.

When it comes down to it, the problem with the Serbs is that they overreact, that they do not dish out one big bang and then say that things are settled. As a result they play right into the hands of the Muslims."

[van Royen] What did the Muslims do to "provoke" the Serbs so acutely? Surely they are the injured party? After all, they are the ones shut up in the reservations we call "safe areas."

[Bastiaans] Yes, but the party on top can also be threatened. By and large, the Serbs have respected all agreements pretty well. It is just that time and time again they lose their cool whenever they are challenged. Not for nothing does the NATO communique contain that little sentence saying that the Muslims must also stop shooting. Officially, the Muslims in the safe areas must surrender their weapons. However, apart from in Srebrenica, this has never happened.

Besides military and political considerations, the Serbian attack on Gorazde is also tinged with a little bit of frustration. The Serbs offered to negotiate with the

Muslims, but their offer was rejected. In the strip of no-man's land two km around Gorazde, the Muslims have been digging like mad. They are extending their trenches through that strip so as to gain as great an advantage as possible. That is one of the methods that is being used. You do not always have to start shooting to provoke someone. So if you now suddenly draw just a 20-km line, behind which the Serbs must pull back their heavy weapons, then militarily speaking you have done everything to benefit the Muslims. Compared with the situation as it was before, however, the Muslims now have actually surrendered some territory. On the other hand, you must not give the Serbs the impression that the Muslims have won out in all respects.

Serbs To Withdraw Heavy Artillery by 1 May

LD2804224094 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 28 Apr 94

[Text] At 1200 today the Serbian side should begin to withdraw its remaining heavy artillery and army units to the lines of separation defined by the Zagreb agreement. The withdrawal should be completed within 48 hours. This was the conclusion of talks yesterday between the central military commission and commissions in sector east.

Sarinic: Serbs Not Complying With Agreement

LD2804182794 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 28 Apr 94

[Text] Hrvoje Sarinic, head of the Croatian delegation for talks with Serbs in the occupied areas, and head of the state delegation for relations with the UNPROFOR [UN Protection Forces], has sent a letter to Yasushi Akashi, the UN secretary general's special envoy, concerning the results achieved in the implementation of the 29 March cease-fire agreement and problems in this connection, as well as the normalization of Croatian-Serbian relations on the entire territory of the Republic of Croatia. The letter reads, inter alia:

The main precondition on which the talks were based was that the cease-fire agreement was only the first step toward the normalization of relations, after which talks were scheduled to take place on the opening of roads, oil pipeline, long-distance power lines—i.e. on the normalization of the economic situation. The final part of the talks concerns the political solution: The inclusion of UNPA's [UN Protected Areas] in the legal and economic system of Croatia. The sovereignty of the Republic of Croatia has never been called into question and that was the clear and resolute stand of the international community.

In keeping with the cease-fire agreement, the Croatian side has so far implemented all points of the agreement within the agreed deadline. The Serbian side failed to fulfill numerous obligations that it took upon itself—we single out the withdrawal of heavy weapons and the separation of forces—and it rejected the work of the police, in accordance with the proposal of UNPROFOR's civilian sector.

All this goes to show that only a small part of the agreement has been implemented and that its key points have not been implemented in full. For this reason the UNPROFOR could not say that the implementation of the agreement was proceeding well and that both sides had a positive approach to and a desire to implement it.

In response to our frequent demands that the agreed obligations must be met, the UNPROFOR asked us to be patient and give the Serbian side time. In our assessment the Serbian side has been stalling the implementation of the agreement intentionally, ultimately wishing to avoid its obligations. The key tasks laid down in the agreement were not implemented by the time of the last session of the joint delegation, held on 23 April.

An agreement on the place where the new meeting is to be held has not been reached either. The Serb side has put forward as its condition for resuming negotiations the abolition of a part of a UN Security Council resolution regarding the supervision of imports and exports of goods on the occupied territories of Croatia.

Even though the official representatives of the Croatian authorities have been trying to create a favorable climate for negotiations, the Serb representatives have been creating extreme tensions. In addition, they have been trying to equate the cease-fire agreement with the settlement between the two states, their goal being the Cypriotization of the Republic of Croatia, Hrvoje Sarinic writes in his letter to Yasushi Akashi, adding that Martic, Mikelic and others have been speaking about the need to open up the process of succession, about access to the sea, a corridor to Hungary, Slovenia, and so on.

Their demand that meetings be held only on the border between the occupied and the free areas or abroad is also indicative. There are no indications today when the next meeting could be held, even though we proposed that negotiations may be held in Knin, Plitvice, or in any place in Croatia.

We are aware of the connection between the situation in Bosnia- Herzegovina and behavior of the Serbs living in the occupied areas of the Republic of Croatia, but we are also convinced that such behavior and arrogance should no longer be tolerated and that there will be no positive results until the international community has forced the Serbs to comply with the resolutions and agreements that they have signed, not to flout everything and make a mockery of everybody and not be punished for it.

From our viewpoint, the establishment of the supervision of borders, as envisaged by UN Security Council Resolution 769, is a condition without which it is impossible to bring the situation back to normal and create conditions for the resolution of the crisis, as links between Belgrade and Knin are stronger than ever before.

Tudjman Meets With U.S. Ambassador in Zagreb

LD2804145994 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 28 Apr 94

[Text] Croatian President Dr. Franjo Tudjman received Peter Galbraith, U.S. ambassador to Croatia, in the Presidential Palace today. President Tudjman told Ambassador Galbraith that the examination of proposals and negotiations on signing an agreement between the Croatian Government and the U.S. Government on economic and technical aid, to be granted to Croatia via the U.S. Agency for International Development, which is a constituent part of the State Department, should immediately be embarked upon. The agreement is expected to be signed at the beginning of May.

Ambassador Galbraith informed President Tudjman of his country's intention to begin negotiations on certain concrete projects immediately after the agreement has been signed. He also told him that an agreement on agricultural cooperation to the value of $10 million will be signed at the Croatian Ministry of Finance. President Tudjman expressed his pleasure at the progress achieved in talks between the National Bank of Croatia and the Croatian Finance Ministry on the one hand, and the World Bank and the IMF on the other, that have been held in Washington over the past few days.

President Tudjman and Ambassador Galbraith also discussed the situation in Bosnia-Herzegovina and the UN protected areas [in Croatia], a statement from the president's office says.

Russian Envoy Visits Gospic, Views Cease-Fire

LD2804170194 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 28 Apr 94

[Excerpts] Russian Ambassador to Croatia Leonid Kerestedzhiyants has paid a visit to Gospic. Krunoslav Prpic has prepared a report on his visit:

[Prpic] Ante Frkovic, prefect of Lika and Senj and Gospic Mayor Ivan Blazevic informed their guest about the war destruction. [passage omitted] Speaking about the implementation of the Zagreb cease-fire agreement, the ambassador of the Russian Federation said, among other things:

[Begin Kerestedzhiyants recording] I feel responsible, in a way, for the agreement and for how the withdrawal and the implementation of the tasks laid down in the agreement are proceeding. I paid a visit some 10 days ago to the so-called Krajina. I spoke with the commander of the Canadian battalion there. I know that the Croatian side has not created any difficulties. There have been no complaints to be addressed to the Croatian side. However, I know that there are a number of questions related to the implementation of that agreement by the Serbian side. We hope that the negotiations will be resumed in the Russian Embassy. I know that there is also readiness on the part of Knin for expert talks to be held. I am ambassador to Croatia within its internationally recognized borders. I state this openly, even when I go to Krajina. I can say that sometimes this angers them. Sometimes it passes normally because this is true. It is a fact; it is an historic truth. [end recording]

[Prpic] The ambassador toured some places along the separation line in order to see where the Zagreb agreement has not been fully implemented.

Mesic Discusses New Party, Tudjman Conflict

AU2804150294 Rijeka NOVI LIST in Serbo-Croatian 21 Apr 94 pp 2-4

[Interview with Stipe Mesic, president of the Croatian Parliament and founder of the Croatian Independent Democrats, by Edita Vlahovic; place and date not given: "We Are Not Causing a Crisis But Strengthening Croatia"]

[Text] [Vlahovic] Have you left the Croatian Democratic Community [HDZ]?

[Mesic] No, not yet.

[Vlahovic] Is it not unusual that, while you are not only a member of the ruling party but one of its leaders, you are founding a new party?

[Mesic] Our membership will formally be canceled when we found the party and when party documents are adopted at the constituent assembly.

[Vlahovic] After Josip Manolic's replacement, you said you feared that a large number of people would be persecuted on all levels and in all HDZ structures. Has it come to that, and if it has, how extensive is it?

[Mesic] Fortunately, it has not yet come to major persecutions "on the vertical level," but there is roll calling. Unfortunately, there have been unprecedented provocations against Josip Manolic, president of the Chamber of Counties, like those in the darkest Stalin period in Russia. Among those who spoke up was the German HDZ Youth, which declared both Manolic and myself bolshevik criminals. They even resort to name calling. Meetings in villages and towns at which Manolic is exposed are in full swing. Something like that is not customary in democracy, but here, after confronting opinions, there is public lynching. Therefore, we often go back to totalitarianism.

[Vlahovic] Apart from Mr. Manolic, are other deputies also under pressure?

[Mesic] All deputies suspected of joining myself and Joza Manolic are being interviewed and questioned at present.

[Vlahovic] Who conducts those interviews?

[Mesic] Members of the presidency and the party president himself.

[Vlahovic] After the discussion on Manolic, has the HDZ Presidency talked about your dismissal, too?

[Mesic] They never discussed it, but it is not difficult to conclude that it was just a matter of time when they would put the subject on the agenda. I was the one who was attacked first. Remember, they suggested that I leave the country so they could finish some discussions, which I allegedly hindered. I refused to do so and said the only thing I would do would be to go on vacation. I could make that concession, as I underwent a minor operation in the meantime and returned to work a month later. Naturally, people think I would agree to a kind of sinecure, but I did not become politically active with that in mind. My goals are much bigger and I cannot be bought by sinecure.

Tudjman Is Neither a Leftist Nor a Rightist

[Vlahovic] What is actually the reason behind your conflict with President Tudjman? In your opinion, is President Tudjman a leftist or a rightist?

[Mesic] He is neither a leftist nor a rightist. He likes authoritative power and thinks he can lead a party in a bureaucrat-like manner, but that is impossible. A party is a living being and cannot stand that kind of leadership. Therefore, those of us who have been in the party since its establishment are not satisfied with that kind of party leadership. We wanted the HDZ to be a party that would realize our program goals and become a democratic party that can discuss all questions and that the decision of the majority be implemented.

[Vlahovic] At what point did President Tudjman start to deviate from those program principles?

[Mesic] When he started to interfere in all institutions of the system, from the parliament to the judicial system. Dictatorship is introduced by attacking institutions. We want to defend institutions—in other words, democracy.

[Vlahovic] Who, in your opinion, influences the politics of President Tudjman the most?

[Mesic] Probably someone close to him. I have not been close to him in about two years, so I do not know who is the most influential. I think the president himself is the man, for his vision of democracy is something that objectively is not what he thinks it is.

[Vlahovic] Do you think they will attempt to dismiss you from your position as president of the parliament?

[Mesic] I do not know what they will attempt to do, but the issue of the ratio of powers in the parliament will be settled right there. The way in which they went after Manolic was one of the causes for my reaction. When, at the session of the party presidency, we decided without voting—I repeat, without voting, for they keep claiming it was a unanimous decision, and there was no ballot whatsoever—to pass the case of Manolic on to the court of honor, they should have done that. That would be a democratic procedure. However, to telephone the parliament to begin that action, right after or even during the session, to collect 36 signatures that very day, that is Bolshevism at its peak.

New Relations in the Parliament

[Vlahovic] Parliamentary crisis is obviously mounting. Are you going to cause early elections?

[Mesic] No, that is not the issue. This is all about new relations in the parliament, which does not necessarily mean early elections. This is not about the president of the republic either. He has his constitutional authority and he must do it, but those of us in the parliament have our constitutional authority as well. Therefore, this will only strengthen the autonomy of the parliament and democracy. There is no reason for early elections, especially since we accept and support the program of the government.

[Vlahovic] How will the founding of the Croatian Independent Democrats influence the HDZ?

[Mesic] Some members of the HDZ who are not satisfied with the implementation of original principles of the party will surely join us or, to be precise, they will stay true to those original principles, for they are our starting point.

[Vlahovic] What kind of reaction do you expect from the state officials—for example, from President Tudjman?

[Mesic] I expect more sensible politics, especially as it has turned out, in the case of Josip Manolic, that parliament is unlike any other institution. I hope that the president and the people who advise him will realize that the question of relations in the parliament is one thing and the question of other institutions is quite another. Relations in the parliament cannot be settled by extraparliamentary games.

[Vlahovic] A part of the public, especially some political parties, fear this could lead to a dictatorship.

[Mesic] There will be fewer of those fears after this, for we are about to prove that we are a pluralistic and democratic society and that democracy has deep roots here.

Warmongers Safe in Their Seats [subhead]

[Vlahovic] Are you counting on the support of the opposition?

[Mesic] HDZ leaders have been trying to convince our representatives that many members of the opposition will now join the HDZ. We will see.

[Vlahovic] What do you think?

[Mesic] I think that is wrong information.

[Vlahovic] Do you think there is a connection between the announced large number of strikes and those political developments?

[Mesic] No, but we predicted it would come to that. By means of monetary technology, we curbed inflation and reached the point where we must increase production and involvement of capital. Furthermore, to be involved in a war, which we are supporting in this or that way—it is quite clear that we supported the Herzegovina Croats in their conflict with the Muslims—this unnecessary and absurd war, which brought nothing but death and destruction to both the Croats and the Muslims, to finally sign the agreement on confederation. And now to interpret this as a natural consequence is an offense to all those who were involved and paid a high price for the war. We must say how much the war cost, where the money from sold apartments and companies goes, and where the money given by the Croatian emigration is.

For I know very well that some countries offered to give us weapons for free, and was it necessary to purchase and pay a high price for something we could get for free? We could get weapons from countries that support us, provided we stop the conflict with the Muslims. However, the conflict kept escalating.

And now, some people in Bosnia-Herzegovina who initiated the conflict between the Croats and the Muslims are firmly holding their positions and are probably trying to thwart the Washington agreement.

We Must Find Out Where the Money Went

[Vlahovic] You mentioned the money given by the Croatian emigration with regard to embezzlement several times. Do you have any clue, or perhaps even proof, of how the money is being spent?

[Mesic] We know that the least amount of funds went to economic processes and programs. We must find out where the money went.

[Vlahovic] According to Prime Minister Valentic, Croatia is now at the most critical stage of economic stabilization. Do you think those stormy developments on the political scene will influence the implementation of the stabilization program very much, and if so, how?

[Mesic] The very process we are initiating will enable the world to trust Croatian democracy a bit more. We are not trying to cause a crisis; we want to strengthen Croatia as a law-governed state. Then Croatia can also be a serious partner to foreign investors.

[Vlahovic] You said you supported the government's policy, but President Tudjman strongly supports Prime Minister Valentic, too. Have you also contacted the prime minister? What is the position of the government in this situation?

[Mesic] Yes, I talked to the prime minister on Tuesday [19 April] as well. There should be no crisis in the government. We must give it all our support, provided that this process of democratization wins us some foreign capital and investments. That is our way of helping the government.

[Vlahovic] With regard to your views on transformation and privatization, do you think the government is closer to your views or to politics created by President Tudjman?

[Mesic] The government has taken a first step toward denationalization, and it was those HDZ hawks that made it take the subject off its agenda. We demand that the process of denationalization be addressed, that people be given back what is rightfully theirs, and also, regarding tenants, that they be protected and put on an equal level with everyone else. It is possible to do all that, if we start with new economic projects and if we immediately sell all military-owned and other apartments and allocate those funds to the construction of new apartments.

Avoiding Essential Problems

[Vlahovic] You have mentioned hawks again. Who are those people? Are they in the state leadership?

[Mesic] Yes, those are the people who think problems can be solved by means of some palliative measures. They are obviously avoiding the essential problems more and more.

[Vlahovic] Does your leaving the HDZ mean that the ruling party now overwhelmingly holds that it is impossible to reach a political compromise between the Croats and the Muslims and preserve the integrity of Bosnia-Herzegovina?

[Mesic] There is something I cannot grasp. Some people—I will not name them but they know what I am talking about—harbor an illusion that they can negotiate the division of Bosnia with Milosevic and then solve Croatian problems. There cannot be any agreement with Milosevic regarding the division of Bosnia. It would result in a chain reaction; there would be new aggressors, and the world will not allow that. The only way out is to form an alliance with the Muslims and those Serbs who support the integrity of Bosnia-Herzegovina and then to make an agreement with that state as with any other state.

[Vlahovic] In his reply to President Tudjman, Manolic mentioned organized crime in Herzeg-Bosna and the fact that it is supported by some Croatian institutions. Who are those men?

[Mesic] That is difficult for me to say. The institutions that are involved in that must say so. Today we can only talk about what we see is happening. If people buy enormous amounts of fuel that cannot be spent by Herzeg-Bosna, that means that they are selling it to someone else. Therefore, it is a chain reaction, but it is not up to me to determine what this is actually all about.

To Attain Autonomy of the Parliament

[Vlahovic] As president of the parliament, what prevented you from initiating the establishment of parliamentary commissions that would examine those phenomena that were also discussed in the parliament?

[Mesic] The parliament and its commissions of inquiry cannot as yet be efficient, for they must be regulated by law. Such a law is now being drafted and I believe it will soon be adopted. We tried everything so that the parliament, apart from its main function as a legislative body, can also act as a controlling body, and by means of parliamentary committees, we are trying to influence all institutions to implement regulations brought by the parliament. I do not want to undermine the responsibility of the parliament, but considering the pressure we have been under, it has not been easy to attain autonomy of the parliament.

[Mesic] Your group has demanded that the right wing of the HDZ leave. In your opinion, which people should not be in the political leadership?

[Mesic] We are no longer asking anyone to leave. We are leaving instead.

[Vlahovic] Can you comment on the position of Croatia and the prospects for implementing the Washington agreement after the fall of Gorazde?

[Mesic] Obviously, there have been some secret agreements and underhanded deals. The fall of Gorazde is nothing but a conspiracy against the sovereignty of Bosnia-Herzegovina. We will probably find out who was involved, but now we must use all available means and international mechanisms to make the international community finally commit itself on who is the aggressor and take steps against it. There have been many victims in Bosnia-Herzegovina, but there will be even more victims if one allows the division of Bosnia- Herzegovina. Gorazde is the final lesson for the international community to take action.

[Vlahovic] You said that for some two years now, you have not been in the circle that creates the politics of the ruling party. Therefore, you have not agreed with the politics of President Tudjman for two years. Why did it take you so long to go public about that?

[Mesic] I did not participate in making decisions, but I have been trying through various party and state mechanisms to influence Croatian politics in the country and abroad. I thought it possible to set it straight, but now we realized that if one cannot have an open and honest discussion within the party about problems that will tomorrow be much more topical than they are today, then we must act in this way.

[Box 1, p 3]

International Support

[Vlahovic] Which members of the opposition did you contact?

[Mesic] Leaderships of all parties, but for one reason only: to convince them that we will not tread on their political ground. We respect their programs and their membership. We do not want to see some uncontrolled processes happen. We want those parties to keep their space, to become even stronger, to the benefit of Croatia. Our action also aims to strengthen Croatian democracy. Croatia comes first for us. But what kind of Croatia? Democratic, social, human Croatia, in which human rights will be protected. Croatia in which crime and mafia cannot survive.

[Vlahovic] Do you have international support?

[Mesic] The world still supports democratic processes, and this is an absolutely democratic process. We will be absolutely supported by the world. Those who advise the president to strike at democratic processes are not working for the benefit of him or Croatia.

[Box 2, p 3]

Where Is the Money Emigration Gave Us?

[Vlahovic] Conflicts in the HDZ have been noticeable for a while. Why solve them at this very moment? Why are you forming a new party right now?

[Mesic] We had no other choice. We tried to settle this in the party by discussing all problems, which are evidently present in the society. We put all that on the agenda. However, the party, or better yet the president, disregarded that. We must have an honest discussion, but if that is not possible within the party, then we will do it in public, for the public is the best judge. We must say whether we are satisfied with the transformation or not. Nowhere in the world could the rumor about 600,000 German marks of state funds to purchase an apartment for a minister so he could then buy it for 40,000 German marks hold. Where will those state officials who will succeed the present ones live? Judging by the results of the present ones, I am not sure they will hold on to their positions for very long. And finally, there is the question of funds provided by our emigration. Those are enormous amounts of money about which the parliament knows nothing and neither does the Croatian Government. Those funds are in foreign banks and we do not know who controls how and why they are spent. Croatian emigration and the public must know where the money is.

[Vlahovic] Could that not be discussed in the ruling party?

[Mesic] No, that was strictly a taboo.

[Box 3, p 4]

Who Is Responsible for the Politics Toward Bosnia-Herzegovina

[Vlahovic] You said there were indications that the Washington agreement will not be implemented. Who will fail to do so? What will be the consequences?

[Mesic] It is not that some will fail to do that, but I am certain that some are trying to block the Washington agreement. They appear to be supporting it, but are actually working against it. They will not succeed in that; they will only manage to compromise themselves and the people they represent.

[Vlahovic] Can you tell us who is the creator of the politics toward Bosnia-Herzegovina that lead to founding concentration camps for the Muslims, destruction of the Mostar bridge...?

[Mesic] The Croat-Muslim conflict was harmful for both nations, but it did not do much good for the Serbs either, for they thought the world would tolerate the aggression.

In fighting against each other, the Croats and the Muslims suffered heavy casualties, and now everyone is friends again now that they have signed the agreement. That means it should not have come to the war in the first place. The problem was in bringing the political decision to confront the Muslims. Who is behind whom? I do not know. When Josip Manolic criticized Gojko Susak—for he was in charge of Bosnia-Herzegovina, he went there, we did not—and, after all, we could see on television who was photographed together: Vice Vukojevic and Gojko Susak, it is not difficult to conclude who supported which option. However, President Tudjman allowed no criticism and, in his address in the Club of the HDZ Representatives, he took responsibility for that politics.

[Box 4, p 4]

Susak Is Incompetent

[Vlahovic] At the latest session of the Parliament, Minister Susak and his responsibility for the explosion in Duboki Jarak was in the focus of discussion. What do you think about the demand of the opposition to reconsider the question of his political responsibility?

[Mesic] Commissions in charge of that matter will definitely reach certain conclusions, and judicial authorities will make corresponding decisions. However, this is a matter of political responsibility of the person who organizes the work and rules of behavior in the army, and that is the Defense Ministry. We know who is in charge. When it comes to such extent of damage and such heavy casualties, then it would be honorable for the minister to offer his resignation; whether it will be accepted, that is another matter. I do not insist on that, but I insist that Susak offer his resignation. One million of inhabitants of Zagreb were in question, and the explosion could have spread to the nearby chemical plant and gas installations. There could have been unpredictable consequences, and our minister did not interrupt his visit to Herzeg-Bosna, a sovereign state, and we know he did not go there in cooperation with the Sarajevo authorities, and he did not come to the sight of the explosion nor did he return to his ministry. Ask him where he went.

[Vlahovic] To what extent is Minister Susak responsible for such politics?

[Mesic] I do not think he knows how responsible he is, because he is not competent enough for the job. Let us face it, he cannot do the job.

[Vlahovic] Who should answer this question, then?

[Mesic] The supreme commander, of course.

Assembly Chairman Leaves for Brussels

LD2804153394 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 28 Apr 94

[Text] Croatian Assembly Chairman Stipe Mesic left for Brussels this morning to attend a two-day working conference of international parliamentarians which will discuss justice and progress as bases for peace in Bosnia-Herzegovina. Prior to his departure for Brussels to attend the conference, which is to be held under the sponsorship of Egon Alfred Klepsch, chairman of the European Parliament, Mesic said he will present to the conference a Croatian proposal that the international community return to its principle of the inviolability of borders. This principle will secure an undivided Bosnia-Herzegovina, while the occupied areas in Croatia will be fully reintegrated into its legal and constitutional system. Bosnia-Herzegovina should be demilitarized, and also Serbia, which presents the worst danger for this part of the world. President Mesic also said he will meet parliamentarians from a number of countries in the course of his visit to Brussels.

Internal Affairs Ministry Finds Explosives

LD2604191394 Zagreb HTV Television in Serbo-Croatian 1730 GMT 26 Apr 94

[Text] The Croatian Ministry of Internal Affairs has uncovered a certain quantity of highly destructive plastic explosives in the wider area of the city of Zagreb. These explosives belong to the former Yugoslav People's Army and were to have been used for sabotage and terrorist actions in Zagreb and the Republic of Croatia, a statement by the Ministry's Public Relations Department says, among other things.

ΩOpposition Reacts to Croat-Serb Agreement

94P20690A

[Editorial Report] While Croatian Government representatives have hailed the agreement on the cessation of hostilities and separation of forces signed with the Krajina Serbs in Zagreb on 29 March as a "step toward normalization of relations on the entire territory of Croatia" (Zagreb VJESNIK 31 March), the reaction of most Croatian opposition parties to the agreement has been considerably more cautious and even negative.

In a statement to VJESNIK that appears in the paper's 31 March issue, Croatian Social Liberal Party [HSLS] President Drazen Budisa says that, while he had not yet have a chance to review the document, his party supports "efforts for the peaceful reintegration of the UN Protection Areas [UNPA] but does not see how this can be achieved without changing the UNPROFOR mandate. Budisa believes that, under the present conditions, the cease-fire agreement between the Croatian Government and the Krajina Serbs offers "no guarantees" that displaced persons will be able to return to their homes or that Serbian paramilitary groups will be disarmed. The HSLS insists, Budisa says, that the effects of ethnic cleansing must be reversed.

The 7 April VJESNIK carries a report on a news conference held the previous day by five opposition parties—the HSLS, the Croatian Peasants' Party, the Istrian Democratic Assembly, the Croatian National Party, and the Social Democratic Party [SDP]—at which they demanded that all political talks with representatives of Serbia be halted until:

—"Serbia and Montenegro recognize Croatia within its internationally recognized borders, terminate logistical and political support for the Serb insurgents, and withdraw the Serbian dinar [as the official currency] from the occupied territories."

—"The Serbian Army and Serb insurgents cease ethnic cleansing and criminal attacks on Croatian settlements and the insurgents accept the solution of their political demands within the Republic of Croatia, in accordance with the principles of the Constitutional Law on Human Rights and Freedoms and international documents on the rights of national communities."

The five opposition parties also demanded the closing of the Croatian Government Bureau in Belgrade and its Serbian counterpart in Zagreb and made the extension of the UNPROFOR mandate conditional on the protection of the Croatian borders with Serbia and Bosnia-Herzegovina and the implementation of the UN Security Council resolutions.

Zdravko Tomac, chairman of the SPD Council, told reporters that one consequence of the Zagreb agreement would probably be a "long-term solution modeled on Cyprus" and that "everybody who remains silent about it" would bear a "historic responsibility," VJESNIK reports.

Savka Dabcevic-Kucar, head of the HSN, said in an interview published in Zagreb VECERNJI LIST on 11 April that, while she welcomes "any step" leading to a cease-fire, negotiations, and a "just peace," she is "reserved" and "skeptical" and considers the agreement "unfavorable" because it appears to "sanction the present situation." In her opinion, the most important issues have not been resolved: The "occupying army" and the Croatian Army are treated identically; the Croatian state is not even mentioned in the agreement; the "Pink Zones" are not excluded from the agreement, and the return of displaced persons has not been defined. She also asks why the "questions of aggression" had not been raised and states that the "only positive thing" resulting from the agreement might be the cease-fire.

The 9 April VJESNIK reports on a news conference held on 8 April by the Croatian Christian Democratic Union [HKDU], at which its secretary, Dr. Milan Bicanic, enumerated the shortcomings of the Zagreb Agreement, stating that the aggressor was not named, "which raises the question whether this is an agreement on separation or delineation of the opposing sides," and that the "dynamics" for the reintegration of the occupied territories into the Croatian constitutional and legal system had not been established. HKDU President Dr. Marko Veselica found fault in the government's approach to the talks with the "Serb rebels" and felt that the cessation of the war was being discussed in a manner that "destabilizes Croatian military power and creates a defensive strategy." Ilija Rkman, the party's executive secretary, mentioned the danger of a "Cyprus solution." The official party statement carried in the 13 April VJESNIK added that the agreement does not mention Croatia as a sovereign and internationally recognized state and fails to deal with war crimes, the punishment of war criminals, and war reparations.

The 9 April issue of the same paper contains a statement by Croatian Christian Democratic Union President Ivan Keglevic, who proposes that, in addition to the present negotiators, Croatian refugees from the Krajina should be authorized to negotiate with the "Serbian rulers" in the UNPA, because the refugees "would know much better how to facilitate returning to their homes."

The Socialist Party of Croatia issued a statement, published in the 1 April VJESNIK, which welcomes the agreement, describes it as "the first step toward the establishment of the territorial integrity of Croatia," and concludes that, apparently, "the two sides had not been able to achieve it without maximum engagement and pressure by the international community, especially the United States and Russia."

Halting of TV Programs, Role of Media Discussed

94BA0253A Zagreb DANAS in Serbo-Croatian 29 Mar 94 pp 28-29

[Article by Edvard Popovic: "Hello, the Director Here"]

[Text] *Both Vrdoljak and Bolkovic are more interesting as Croatian media cliches than as individuals or personalities. Both of them entered the program directly, not as listeners or viewers, but rather as directors, and for both of them the telephone has been a remote control.*

The intervention at Radio Sljemen, the electricity cutoff for Youth Television [OTV], and the blocking of an announced Croatian Television [HRT] broadcast during the past 10 days have caused an uproar among the Croatian public. In the first incident, Antun Vrdoljak, by telephone, in the ether—the occasion is completely meaningless—resolved with broadcast director Zvonko Sebo things that are usually resolved in editorial staff meetings. In the second case, OTV's program director, Romano Bolkovic, used the telephone to try to "shut off" Nightmare Stage [in English as published] director Zeljko Malnar, and when he failed, the electricity in the studio was shut off and thus the broadcast was interrupted. In the third case, the elements of the "game" are well-known: the broadcast (Latinica), the director (Denis

Latin), and the guests (Mile Dedakovic Jastreb and Tomislav Mercep), while the one who one shut it off is so far unknown. Actually, the names of those who shut it off (the censors) are not even important here—in this case both Vrdoljak and Bolkovic are more interesting as Croatian media cliches than as individuals or personalities. Both of them, in fact, "entered" the program directly, but not private persons, i.e., as "ordinary" listeners and viewers, but rather as directors of the media in question, and both of them used the telephone not as a means of communication, but rather as a remote control.

The idea of the media as a means of control and manipulation is as old as the media themselves. In this sense, the harshest critics do not view the media as a "window to the world," but rather as a blind in that window, which the owners raise or lower to the extent that it suits their overall and current interests. That is precisely the thesis on which Zeljko Malnar built his nighttime show on OTV. Nightmare Stage, with its lack of restraint and informality, destroyed the very foundations of television as a means of controlling and manipulating the masses. Malnar did not offer answers and finished opinions, but instead raised questions and forced people to think.

Provoking Vanity

Malnar's ultimate goal in provoking personal and national vanity ("You Are Ugly and Stupid," or "One Should Love All People Regardless of Their Color, Race, or Religion, Which Is Quite Difficult If You Are a Pure-Blooded Croat") was probably not to insult, but rather to install a "mirror of reality," which would offer a picture the opposite of the one offered by the "big" state media. Even though it then went to the opposite extreme, Malnar's nighttime "nightmare" on OTV can also be interpreted as a sort of group psychotherapy for, generally speaking, the frustrated "populace." Perhaps he did not even "expand horizons," but in any case, by raising the veil from people's eyes, provoking and insulting, he destroyed the embellished, retouched picture of reality for which the "strictly controlled" media were responsible.

Without going into how much whiskey Malnar had inside him on the night when his show was cut off (which is also part of destroying the ordinary, "sober" image of television directors), or the extent to which he "crossed the boundaries of good taste"), for which Bolkovic is criticizing him, it seems that that is not the hitch. OTV officials knew, or at least could assume, what they had gotten when they "bought" Malnar. In fact, Malnar crossed the boundary of good taste in the bourgeois interpretation of that concept at the moment when he publicly called his guest or viewer on the telephone line a fool, but he has done that for a long time. Seeking the boundary of that taste in measuring the specific seriousness of the concepts of "fool" or "idiot," as the OTV program director is trying to do, is only a good way to cover up the essential thing. That is that Malnar has considerably overturned a medium, that he used it to show something else, the ugly face of our reality and ourselves, and in order to shove that picture in the faces of everyone who watched Nightmare Stage, thus committing an unforgivable media sin—he did not play up to the vanity of the viewers, but instead, in a way peculiar to himself, activated their critical capability, and forced them to think. Bolkovic formulates it this way: "I am criticizing him because he turned an entertainment broadcast into a political one, because he was not paid to present his political opinions. He is here to entertain people, and not to insult them, and therefore he has to distinguish independence from anarchy."

Turning Off the Disobedient

Consequently, who is it that will "turn off" the disobedient child of the Croatian media? Is it an institution that is a throwback to the former cat paws of the political power centers, or is it the adult, enlightened viewer (reader) who can do it by pressing the remote control, i.e., ceasing to buy this or that news? In Malnar's case, judging by his show's audience (unusually large for its slot), the viewers are not the ones who pressed the remote control button, the one that brings darkness. It was done by an institution that was least interested in an enlightened, mature public, which can hardly be manipulated.

In this case "stopping Malnar" and all the other similar cases in the media world are almost superfluous, unnecessary steps. The Croatian media's influence upon public life is insignificant, and almost nil. For example, we do not remember when any article or radio or television program that provided arguments and documentation in favor of "removing" some forms of public life or individuals from public life has initiated change. In the last few years, the pages of newspapers have been full of examples of violations of the Constitution and positive legal regulations, theft (illegal acquisition of property), war profiteering, the abuse of one's position, crime.... In an insignificant number of cases, the articles have been denied. In most cases, people acted according to the logic that articles live until the last issue, and they counted, not without reason, on their being forgotten. It was rare that they were followed by any official investigation, resignation, or explanation; people rarely were held responsible for the consequences.

Role of the Loudspeaker

In that sense, the blocking of the scheduled HRT broadcast Latinica, in which the first commander of the Vukovar defense, Mile Dedakovic, and the controversial Mile Mercep were to appear, was completely superfluous. In view of the series of ambiguities and contradictory information about the defense of Vukovar, about the role of individuals in its defense, one can assume what the topic of conversation would have been. It is equally possible to assume that on that occasion a lot of what is colloquially called "dirty laundry" would have been presented, which actually does not mean anything more than facts that mental hygienists claim are not suitable for the average Croatian ear. By "turning off" the above-mentioned guests, the mental hygienists indirectly and probably unconsciously, but very precisely, indicated what kind of media they would like.

In any case, they would not like media that would be responsible to the public and for which true, honest journalism would be the foundation and only reason for action, and not even journalism that would "dabble in" awkward topics and write critically, without calculations, because, it seems, this is not the right time or the right moment. Unfortunately, a considerable portion of the media have consented to the role of a loudspeaker, recognizing, in the chain of responsibility, only responsibility upward. In that kind of distorted division of roles, anything is possible. It is thus even possible to turn telephones into remote controls, which at the same time "turn off" journalists and directors, and lower the blind on the "window to the world."

Language Issue Delays Bulgarian Treaties

LD2604212394 Belgrade TANJUG Domestic Service in Serbo-Croatian 2015 GMT 26 Apr 94

[Text] Skopje, 26 Apr (TANJUG)—Macedonian [Former Yugoslav Republic of Macedonia—FYROM] President Kiro Gligorov has returned from Sofia this evening following his first official visit to Bulgaria, and positively assessed his two-day "very open" talks with Bulgarian officials.

Gligorov said that two treaties on Skopje-Sofia cooperation that were to have been signed—on the elimination of double taxation and the protection of mutual investments—have not been signed because of the refusal by Bulgarian officials to sign these documents also in the Macedonian language. According to Gligorov, the Macedonian delegation deemed that the Macedonian language could not be a contentious issue and that the right of every nation is to call the language it speaks as it pleases.

However, President Gligorov expressed the hope that talks of this kind would gradually yield results. Gligorov also expressed the conviction that Bulgarian President Zhelev "has an understanding of this issue," but that "they should clarify this matter in Bulgaria on their own."

The Macedonian president also said that journalists at a news conference in Sofia were most interested in the possiblity of Macedonia joining a former Yugoslav republic or some neighboring state. According to him, this is an issue that has been decided once and for all, because Macedonia has become a free, sovereign, and independent country and no other option can be taken into consideration.

Economy Experiences Fall in Manufacturing Areas

LD2804173594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1425 GMT 28 Apr 94

[Text] Skopje, 28 Apr—Industrial production in Macedonia declined 14 percent in the first three months of this year relative with the same period last year. Manufacturing was down 25 percent, reproduction of materials 13.4 percent, and production of consumer goods fell by 6.3 percent. This was stated by Svetlana Antonovska, director of the Institute of Statistics, at a press conference in Skopje today. A drop in industrial production was recorded in 27 branches representing 86.3 percent of the overall industrial production. A particularly sharp drop was recorded in ferrous metallurgy, in heavy machinery construction, in transport manufacturing, shoe and leather goods manufacturing, and in the printing, clothes, and food industries.

According to Antonovska, in the same period the value of construction works completed on the territory of the Former Yugoslav Republic of Macedonia dropped by 35.7 percent. During this period, Macedonia's exported $234 million worth of goods and materials, a drop of 13 percent from last year. At the same time, imports rose 8.7 percent, for a total value of $202 million.

Further declines were noted in retail, catering, tourism, traffic and other sectors. Total employment fell by 6.8 percent; overall, there are 404,786 people in the labor force. Unemployment increased 2.5 percent to a total of 178,789 people. Retail prices rose 36.6 percent between December last year and April this year. Moreover, the cost of living rose 43.9 percent, Antonovska said.

Budget Amounts to 1.2 Billion German Marks

AU2704190494 Skopje MIC in English 26 Apr 94

[Unattributed report: "State Finance—Budget Expenditure"; all figures as received]

[Text] The budget expenditure is positioned at a level of 1.2 billion German marks (at an exchange rate of 28 denars per 1 German mark). The president's cabinet has envisaged 810,000 German marks for costs. Out of these funds, some 365,000 German marks are planned for international cooperation, for representation 61,000 German marks, 154,000 German marks for the wages of the employed functionaries, and 104,000 German marks for other employees. 5.8 million German marks are envisaged for the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Parliament. Out of these, 1.9 million German marks will be spent on wages for the functionaries, while 700,000 German marks will go to the other employees, 400,000 German marks are planned for compensations. 1.2 million German marks will be spent of the acclimatization of the Parliament hall. 535,000 German marks will go for this year's elections.

2 million German marks will go to the Government of Macedonia. The wages of the functionaries will take up 968,000 German marks, and the other employees, 80,000 German marks. 47,000 German marks are foreseen for the administration, out of which 18.6 million German marks for everyday expenses. These expenses also include all representative objects in the state. 1.2 million German marks are set aside for the purchase of furniture and office equipment for the government and the representative objects. Part of these funds will also be spent on furniture in the former building of the Central Committee, where several ministries and government departments are now located.

The Ministry of Defense has a budget alimony of up to 120 million German marks, the Interior Ministry 103 million German marks, the Foreign Ministry 6.5 million German marks, the Ministry of Finance 765 million of German marks (this includes the pay back of the former debts of the state), the Ministry of Social Politics 205 million German marks, and the Ministry of Education 228 million German marks.

The budget expenditure also includes 830,000 German marks for the purchase of new vehicles for the needs of the Interior Ministry. Last year, 1.1 million German marks were spent for the purchase of "Volkswagen Vento" cars.

Prices in Mar Rose 2.6 Percent

AU2704125894 Skopje MILS-NEWS in English 27 Apr 94

[Unattributed report: "2.6 Percent Inflation"]

[Text] As compared to February, the March inflation in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] was 2.6 percent and 117.7 percent in comparison to this month last year. Capacities in Macedonia were exploited 40 percent in average.

Tirana's Support For PDP Examined

AU2804143394 Skopje VECER in Macedonian 27 Apr 94 p 3

[Report by B. Geroski: "Did Tirana 'Turn its Back' on Taci?"]

[Text] After several months of turmoil within the PDP [Party for Democratic Prosperity] that resulted into a definite split and separation of the leadership headed by Djeladin Murati and the faction of Menduh Taci and Arben Djaferi, there appear to have been no major events within this party for some time. The PDP Central Assembly session of "continuity" and the unexpected and easily banned Tetovo meeting of Taci's faction did not point to any essential changes in the positions of the two wings.

Statement

Nevertheless, last week an event that can be seen as a relevant change in the stance of official Tirana toward the PDP took place. At the meeting with the CSCE head of mission in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], Norman Anderson, Albanian President Sali Berisha stated he was convinced that "with their participation in the government, with the loyalty that they demonstrated to the coalition, and the democratic methods that they have adopted for the consolidation of their human and national rights, the Albanians will always be the stability factor." In his discussions with Anderson, Berisha reiterated the struggle for the consolidation of the rights of the Albanians in Macedonia, for holding the census and so on, however, the definition of their participation in the government and the loyalty to the coalition as a factor of stability in the state (a long termed goal of Albania) can be seen as nothing but an implicit support to the delegate and ministerial PDP elite.

There are speculations that this new stance of Tirana, compared to the recent one by which it openly supported Taci's faction, caused serious confusions within the ranks of the faction. Now Tirana is moving Taci toward direct cooperation with the government, urging him to take actions within the institutional framework, which is totally opposite to the recent statements of the faction's leader.

If we have accurately registered the symptomatic and depressive words of the young Taci that he "has had enough of policy," then we can explain them only in the context of the new sounds arriving from Tirana. Namely, by everything that has been stated so far by this self-conscious politician, it is now really necessary to make a major in order to make the "big jump" and chart a new political course.

Determination

After the definite statement of the competent bodies related to the "inheritance" of the PDP in favor of Murati's leadership, it became clear that Taci's faction does not have a chance of entering the elections unless it registers itself as a separate (new) party. For the time being, the faction does not have the will to do that, and even if it does, it will have difficulties registering due to its party program. The only chance of participation in the government and of making constructive efforts for consolidation of the position of the Albanians in Macedonia is by betting on the people of the delegate-ministerial elite.

Of course, Tirana will not make such a turn around and openly support the present team of Albanian politicians involved in the government (it is not out of the question, according to the "hot-cold" system, that we can be once again surprised by them if they give support to those who were, until only yesterday, their disciples). However, Berisha has openly supported those who participate and will participate in the government, probably aware that Taci has no chance of winning.

Peterle on Relations With Italy, Croatia

AU2804172594 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 28 Apr 94

[Text] Foreign Minister Lojze Peterle held two news conferences today. At the first, Peterle spoke about current Slovene-Italian relations and commented on statements made by certain Italian politicians. At the regular monthly news conference that he held in the afternoon, Minister Peterle spoke about the Foreign Ministry's activities. Here is a report by Igor Juric:

[Begin Juric recording] Minister Peterle first said that our state does not take the statements made so far as official stands as they were not made at an official level. Nevertheless, it remains to be seen how interstate relations will further develop. He assessed the cooperation with Italy thus far as positive on the whole; our cooperation within nine state commissions as well as on the economy had been good. Soon after Italy's recognition of Slovenia, the issue of the succession of agreements with the former Yugoslavia had been settled. Within this framework, the question of the property of Italian refugees that some people are bringing up anew was settled. In this respect, Minister Peterle said that within the process of joining Europe, it is no problem for us to take on the obligation that foreign citizens should also have the right to purchase real estate, as we have never differentiated among people. Therefore, Peterle sees no reason for Italy to be placing further obstacles in the way of us joining European integration, as has happened. It is true that Italy always withdraws its statements in the end. Minister Peterle does not think that the new politicians might aggravate relations with us, as the European Union does not want to deal with any more problems. He sees Italy in the future as a strategic partner, with whom we will enjoy good neighborly relations that would set an example to others.

As regards the initiative for Istria as a European region, Peterle said that Slovenia supports ideas on close border cooperation, but by no means supports an establishment of some kind of supra-state region. However, his opinion is that it is not right for the Italians to speak about the position of their minority in Slovenia and Croatia, as if there were no differences between the states. Namely, the position of minorities in Slovenia is established according to the highest European standards.

At the afternoon news conference, Minister Peterle expressed pleasure that the Economic-Social Council of the European Union adopted a statement today saying that our state will be ready for full membership of the Union by the end of the century.

As regards the talks in Pineta [about the Slovene demand for Bosnian refugees to be evacuated from Slovene holiday resorts to the Croatian Adriatic coast], Peterle said that his ministry does not have any instruments to help it transfer the refugees. The only thing that we possess is the Croatian Government's assurance.

There has been a standstill in relations with Croatia regarding the border issue, as the other side is showing no real will to do anything. [end recording]

Federal

Economic Expert Views Post-Sanctions Prospects

LD2804150094 Belgrade TANJUG in English 1107 GMT 28 Apr 94

[Text] Belgrade, April 28 (TANJUG)—Yugoslavia (Serbia/Montenegro) should insist that the first stage of easing U.N. sanctions should include the lifting of the export ban in order that fresh money might be obtained for reviving production, says Yugoslav economic expert Oskar Kovac. Unstopping of the inflow of foreign exchange is the best way to financial consolidation, Kovac said in an interview to TANJUG, specifying that part of the revenue would be used to replenish the foreign exchange coffers, and the rest for investments.

The exporters will be grappling with difficulties even after the lifting of the sanctions, however, because countries like the Czech Republic, Hungary, Poland, Slovakia and the Former Yugoslav Republic of Slovenia have already taken the advantage of the anti-Yugoslav sanctions to seize a good part of the Western European market which had belonged to the Yugoslav exporters before the sanctions, Kovac warned. The U.N. Security Council clamped the sanctions on Yugoslavia in May 1992 for its alleged involvement in civil war raging in neighbouring Bosnia-Herzegovina.

The biggest difficulty after the sanctions will be to regain the international financial markets, said Kovac and explained that the basic precondition for this was a sharing of the assets of the former Yugoslav federation with the breakaway republics and the creditors' estimate of Yugoslavia's credit rating. As for the future foreign borrowing, it will, whether we want it or not, depend primarily on the repayment of old debts, said Kovac. He explained that the later stage of the lifting of the sanctions would set in motion debt rescheduling talks with the Paris Club of creditors and the commercial banks. With the already high foreign indebtedness, future foreign borrowing should be kept at the minimum, Kovac believes.

In order to put the domestic economy back on its feet, Yugoslavia should think of seeking a combined structural adjustement and financial adjustment loan from the World Bank which offers rather flexible conditions, Kovac stressed.

TANJUG Cites Moscow Radio Praising Belgrade

LD2804145094 Belgrade TANJUG in English 1222 GMT 28 Apr 94

[Text] Belgrade, April 28 (TANJUG) - Radio Moscow said on Thursday [28 April] the current and future achievements of Yugoslavia (Serbia/Montenegro) "are a guarantee of stability and peace in the entire territory of former Yugoslavia, a guarantee of the restoration of the legitimate rights of the Serbian people on the international scene."

In a broadcast monitored in Belgrade, Radio Moscow commentator Yuriy Bragin said this was why he understood the position currently being formed internationally about Belgrade's new role as the political and social factor which could play a positive role in the future in re-establishing goodneighbourly, partnership and friendship ties among the peoples of former Yugoslavia.

Commenting on the second anniversary of promulgating the constitution of the new Yugoslav state, Bragin said the past two years were marked by increasing pressure on Belgrade because the civil war in Croatia and Bosnia-Herzegovina had not been ended. In late May 1992, the U.N. Security Council imposed tough sanctions on Yugoslavia for its alleged involvement in the civil war in neighbouring Bosnia-Herzegovina. Bragin said each time Belgrade sympathized with the Serbs in Bosnia-Herzegovina, the West, dissatisfied, tightened pressure on Yugoslavia, although Yugoslavia made it clear in a declaration made public two years ago that "it has no territorial claims to any of its neighbours."

With this, Yugoslavia has clearly shown that it honours the U.N. Charter and CSCE documents and consistently supports the principle of [word indistinct] nonuse of force in solving all oustanding issues, he said.

It is evident in practice that Yugoslavia is honouring all its obligations, that it has no territorial claims to any of the newly formed neighbouring countries, that it is constantly proposing new initiatives for a peaceful settlement of conflicts and that it is strictly abiding by the principle of avoiding force, Bragin explained. Bragin also said the plight caused by the international blockade did not cause chaos in Yugoslavia's political, economic and cultural life, but only consolidated its people and proved the vitality of the state organization.

The recently launched monetary reform has curbed the disastrous inflation, stabilized prices and revived production both industrial and agricultural production. The country goes on living despite the blockade. Sports competitions and exhibitions are organized, new books are promoted and new plays staged in theatres, Bragin said.

General Sees Crisis as 'Historic Chance'

AU2804134294 Belgrade NIN in Serbo-Croatian 22 Apr 94 pp 13-15

[Interview with General Radovan Radinovic by Slobodan Reljic; place and date not given: "Now or Never"]

[Text] General Radovan Radinovic (55) does not look like a pensioner. "That is how things go in the army and in the police. A new boss, a new team," he says. Since he retired in January 1994, he has been working for the Institute of Economy in Belgrade as a scientific adviser for military and strategic studies and research. He had for years taught military strategy at the War School. He came to the Institute from the Strategy Division of the Federal Defense Ministry, where he was division head.

At the beginning of 1993, he was a member of Cosic's team at the Geneva negotiations. "I would like this interview to reflect my attitude that this is an historic chance for Serbia. What we did not succeed in achieving in 1918, we can achieve now. The price may be higher, but it should be paid. I visited Krajina, I visited every part of the front, I went to Bosnia, I spoke with people, and I really convinced myself that this is a historic struggle for the survival of the Serbian nation. If this chance is missed, we shall never have it again."

We then went back to the analysis of the present situation: "If we were to look just at Gorazde, it could not be said that it is a town of big strategic importance. At the moment, however, there are approximately 70,000 people there, maybe more. From the point of view of the constitution of a Muslim state in the former Bosnia-Herzegovina, which is being supported by a new Turkish expansion toward the Balkans, toward "the belly of Europe," Gorazde is of exceptional importance. It is one of the most important points because it is a natural connection between Sandzak and Bosnia.

[Relic] You are speaking about its importance for the Muslims. What about the Serbs?

[Radinovic] It is important for us that the Muslims do not achieve their goal—that is, that we cut the so-called green transversal. What is important for us is that the Yugoslav border toward the former Bosnia-Herzegovina be as safe as possible, and it will be safer if this part is in Serbian hands.

[Reljic] The Western press wrote that Gorazde, an island in the Serbian territory, would have fallen anyway, so they found it senseless to insist on a military solution.

[Radinovic] I can tell you that I never thought the original Serbian idea was to occupy Gorazde. On the contrary: The Serbs in the republic of Srpska of Bosnia-Herzegovina accepted that Gorazde should remain a UN protected area. The Serbs were, however, provoked by the Muslim offensive, supported by the international community and the announced military assistance, first of all by the United States.

[Reljic] Do the United States and Europe have a clear strategy for Bosnia or are they adapting themselves to changes?

[Radinovic] The rest of Yugoslavia was of strategic interest for neither the United States nor Europe. As a powerful state in the Balkans, Yugoslavia prevented the infiltration of new centers of power—Germany, on the one hand, and Turkey, on the other. It was only a matter of time when it would come to a breakup of Yugoslavia. It can be said that they mostly did not have a clearly defined military and political strategy. I would say that their wish was to reshape the territory. The present crisis shows that Europe is not capable of controlling a situation on its territory.

[Reljic] Are you speaking about U.S. strategy?

[Radinovic] Yes.

[Reljic] What can the unfolding of events tell us about the U.S. strategy? There is the impression that NATO—where the United States is the decisionmaker—is behaving like the Yugoslav People's Army during the breakup of Yugoslavia. Politicians are in two minds and the army makes a funny impression.

[Radinovic] First of all, NATO wants to obtain a new legitimacy, which can be achieved if there are crises that cannot be solved without its participation. In the former Yugoslavia, however, NATO seems to be losing what it has gained so far, because it took part of one side in a civil war. This could be damaging not only for NATO but also for the United Nations. They have underestimated the civil war in the former Bosnia-Herzegovina.

[Reljic] Has their strategic interest been seriously affected?

[Radinovic] I would not say that this will affect their strategic interest, but they will have to adapt their behavior to the situation. First of all, they have decided to be the only judge, forgetting that Russia also has its legitimate right to require that the Yugoslav crisis be solved with its participation. There are historical, cultural, and other connections between Serbia and Russia, so even Russia is obliged to protect Serbian interests, at least to the extent to which the West and Islamic countries have been protecting the Croats and the Muslims. Apart from that, if Russia allows the Balkan crisis to be solved without its participation, it will give up its historic idea that Russia is and should be a big power, which started with Petar the Great and has lasted until the present day.

[Reljic] Apart from this emotional aspect and the opposition to the United States, does Russia have a concrete interest here?

[Radinovic] A minimum interest, which is the maximum needed in the present situation. I think that Russian interests are legitimate.

[Reljic] Why does it seem now that Karadzic is insisting on the plan made by the European Union? Is this only tactics or is this map also what the Serbs want?

[Radinovic] There are both elements in his behavior. I think it is politically wise and strategically favorable to find "cracks" in the clash of interests of superpowers. The European Union is trying to establish its strategic identity in Yugoslavia, but this seems to be a very difficult task. It is not homogeneous itself. It is dominated by Germany. Its strategic interest is to get access to the Adriatic and put Central Europe under control, which it seems to have achieved by the secession of Croatia and Slovenia, but I think this is only one of the German illusions. I wrote for a German newspaper that the present Croatia is rather a burden for Germany than a partner that could contribute to the materialization of German interests. It would be more productive for

Germany if it tried to articulate its interests in the Balkans by reestablishing its relations with Serbia as the most powerful factor in the Balkans and a link with Asia.

[Reljic] This sounds logical, but why has no one entered an alliance with Serbia yet?

[Radinovic] Out of political prejudices, I think. Serbia's politics have been declared imperial because Serbia allegedly wants to create a Greater Serbia. Even if all the Serbian countries were united, this would not be a large state that could inspire fear in someone. There is no imperial behavior in the Serbian tradition. The achievement of the Serbian national interest is even inhibited by the fact that there is no imperial consciousness in Serbs. I think the European Union has realized this now and that Serbia will be respected in future.

[Reljic] At the beginning of 1993, you worked on the elaboration of the Geneva maps. What has changed in Bosnia since that time?

[Radinovic] These were great moments for the Yugoslav delegation and the delegation of the republic of Srpska, who tried to achieve national and political independence for the Serbian nation in the former Bosnia-Herzegovina. All international powers, on the other hand, tried to prevent this by splitting the ethnic Serbian territory into unconnected enclaves. There were very many controversial points: the right Una River bank, Posavina, northeast Herzegovina, Podrinje, Kupres, the Dubrovnik hinterland.... Unfortunately, these areas are still stumbling blocks in the partition issue. As far as intentions are concerned, very little has changed, but as far as facts are concerned, very much has changed. First of all, all these games and calculations have been eliminated because of the Serbian victory. The keys are: the military success, a consistent policy made by the republic of Srpska, and a fervent support from Serbia.

[Reljic] Does this mean the situation is more favorable now than at the beginning of 1993?

[Radinovic] Yes, I think it is.

[Reljic] How big is the danger that everything is returned to a more difficult position by an inconsiderate action?

[Radinovic] There is the risk of returning everything to the beginning. International powers are trying everything but, in the end, they will have to accept the real situation—first of all, because this situation shows what has always belonged to the ethnic Serbian territory.

[Reljic] This can be criticized since some of the towns were not predominantly Serbian before the war, such as Brcko, Zvornik....

[Radinovic] One thing has to be clear. A state cannot exist if certain conditions are not met, and one of them is the territorial connection between areas populated by a Serbian majority. It is certain that injustice will be done to some areas in the final partition, but this can be balanced by an exchange of territories.

[Reljic] How would you assess the strategic stability of newly established states in the former Yugoslavia: Croatia, the republic of Srpska, the republic of Serbian Krajina, and the still undefined Muslim territory?

[Radinovic] The strategic position of Croatia was very unfavorable before the war, too. This is a very elongated state; if we measured it, it would be more than 1,000 km long. Its depth does not exceed 10 km in places. Such states can hardly survive even if they had very amicable neighbors. The republic of Serbian Krajina is elongated and thus unfavorable, too. If you bear in mind though that Baranja, eastern Slavonija, and western Srem are adjacent to Serbia, the territory looks much better.

[Reljic] What about the republic of Srpska with its "Maslenica" at Brcko?

[Radinovic] This is the weakest strategic point the republic of Srpska has. This even more, since the newly established federation—which I think can hardly survive—threatens to cut the republic of Srpska into two parts.

[Reljic] Is the Muslim-Croatian federation a good solution from a strategical point of view?

[Radinovic] Several interests overlapped here. First of all, Croatia had to be saved from sanctions because of its direct involvement in the war in Bosnia-Herzegovina. Apart from that, Croatian military defeats in Central Bosnia had to be covered up. Everyone knows that regular Croatian units occupied a part of the republic of Srpska between Trebinje and Dubrovnik, that they are situated in central Bosnia and in western Herzegovina. Apart from that, the anti-Serbian coalition had to be strengthened. This was partially accomplished. Besides, the establishment of a pure Muslim state in Bosnia-Herzegovina had to be prevented. The completely wrong Croatian policy toward Bosnia-Herzegovina had to be improved. The weakest point in the Croatian political strategy is that it agreed to partition Bosnia-Herzegovina, because they practically gave up their old dream—from Starcevic [19th century Croatian intellectual] through Pavelic [fascist leader of World War II Independent State of Croatia] to [Croatian President] Tudjman—that Croatia should reach the Drina and the Danube. The creation of the Croatian-Muslim federation has a political and strategic function because it will give Croatia the necessary depth of the territory.

[Reljic] Why did the Muslims accept this link with Croatia?

[Radinovic] The United States exerted pressure on the Muslims. The federation is not favorable for the Muslims, since they had almost won the war in Central Bosnia before they entered the federation. I think it is a mistake that they agreed to it. I do not expect that this federation will hold for a long time, especially not the confederation between this federation and Croatia. I think this is favorable for Serbia, because our right to establish an independent Serbian state in the former

Bosnia-Herzegovina and its merger with other Serbian countries will become legitimate in this way.

[Reljic] Can Croatia correct the border through the use of force, even though several of its military actions against the republic of Srpska were futile?

[Radinovic] Croatia is not able to correct the borders with military means. Their constant threats are used only to make an impression on the domestic political scene. Even the most superficial analysis can prove they are not able to do it. It is only 6 km from the foremost Serbian positions to the Slovene border, toward Metlika. In certain places along the communication line between Karlovac and the Rijeka front, Serbian positions lie only two km from the road. The road can be hit even from 60-caliber mortars. This means that in case of a military escalation, the Serbs can eliminate the Karlovac-Rijeka communication line very quickly. Apart from that, the distance between the foremost Serbian positions and the seaside lies between 6 and 10 km, which is within the range of all usual weapons.

In other words, the Serbs can place all Dalmatian towns, including Split, under artillery fire. Split has not been attacked so far because it was estimated that this should not be done. Let me summarize: We can attack Split, Sibenik, Zadar, Karlovac, the oil industry in Sisak, Zagreb, Vinkovci, Slavonski Brod, Osijek.... The most dangerous thing for them is that the Serbs have weapons that enable them to destroy Zagreb and the whole infrastructure in the area of the Croatian capital. The republic of Serbian Krajina has powerful weapons for the so-called revenge strategy, which can carry out very successful operations and strikes against those facilities and targets the destruction of which Croatia cannot allow. This is an insoluble problem for them.

[Reljic] Such a state is the factor of permanent instability in the whole region.

[Radinovic] Croatia is in this sense the source of permanent instability. This is their problem, however. The only possibility is to solve the question of Croat-Serbian relations to the satisfaction of both so that Croats cease to consider Serbs a disturbing factor within their state and in the Balkans in general.

[Reljic] It is evident that the creation of small states results in uncontrollable conditions, under which wars can break out at any moment, because "a drunkard can go from one border to the next"—at Maslenica, for example.

[Radinovic] I think it was the interest of international powers to create satellite states in the territory of the former Yugoslavia. I do not think that anything can be changed now. The only state that can exist is the Federal Republic of Yugoslavia.

[Reljic] Yugoslavia has Kosovo, however!

[Radinovic] I am not emotional, although emotions cannot be excluded when speaking about Kosovo. Kosovo is the historical center of the Serbian state. It is not the center of the Serbian state any longer, because the center moved northwards. All political parties and politicians have to treat Kosovo as an integral part of Serbia if they want to have any kind of support by the people. I do not want to say that Kosovo is not a Serbian problem; it is one of the points at which the political stability can be seriously affected. I would say that Kosovo is one of the points at which the independence of our state can be attacked by weapons.

[Reljic] What do you think about the comparison between the republic of Serbian Krajina and Kosovo?

[Radinovic] These are two completely different matters. Kosovo has always been an integral part of the Serbian state, and Krajina was not an integral part of Croatia until the first Yugoslav state was established.

[Reljic] You are speaking about historical rights, but when national states come into existence, there is the right of the stronger over the weaker in a certain territory.

[Radinovic] Kosovo cannot be regarded as an isolated entity. Serbia is stronger than Kosovo Albanians. Kosovo is Serbian territory. It is out of the question that Kosovo is a part of Serbia. I am convinced that no one even thinks of leading such conversations.

[Reljic] What do you think about "Partnership for Peace?" The countries around Serbia have already applied for membership in that alliance. Russia will also apply for it.

[Radinovic] Even if we wanted to apply, we would not be accepted now, but I do not think we should enter this alliance.

[Reljic] Not even after Russia?

[Radinovic] Not even after Russia.

[Reljic] Should we be against the world again?

[Radinovic] There is no reason for the Serbs to take to the market everything they succeeded in retaining though their history—true self-confidence. This does not mean that we should remain isolated. Isolation, which I fervently oppose, is one thing and servility is another. "Partnership for Peace" is actually a cheap phrase—a more elaborate concept for the transfer of the sovereignty of single states to international powers. This is practically silent occupation.

[Reljic] Do you think that Russia has not realized this?

[Radinovic] This is another name for a new world order under U.S. domination. We should look for allies among nations that are spiritually close to us. It is clear who they are.

[Reljic] Who?

[Radinovic] Primarily Greece, Russia, Bulgaria, Ukraine, Romania.

[Reljic] Greece is a NATO member, though. Why do you think it would not betray us if it needed it?

[Radinovic] I do not agree with it. Greeks would never betray us, but they can never defend us to the extent they would like to because they must not forget their interests. I refuse this theory.

[Reljic] They have had their interests in mind all the time, and Serbia served them more or less only as a good argument. Russia, too.

[Radinovic] Every state cares for its own interests; Greece and Russia, but also Serbia and Yugoslavia, because interests are eternal and all other things are transitory. It has been proven, however, that there are real values—ethic, spiritual and civilization closeness. They are relevant even in political alliances. I support the theory that contacts should be sought with those states and nations that want us.

Serbia

Radical Party Abolishes Chetnik Movement

LD2804180494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1329 GMT 28 Apr 94

[Text] Belgrade, 28 Apr (TANJUG)—At a session of the Central Homeland Administration today, the Serbian Radical Party [SRS] passed a decision to abolish the Serbian Chetnik Movement [SCP], a special branch of the SRS, a statement from the party stresses. The SCP, formed in July 1990, "has in practice outgrown and superceded by far its original organizational frameworks, and its internal structure restricts its functioning." The statement gives several reasons for the abolition of the SCP. First, all fighters for the freedom of the Serb nation are nowadays calling themselves Serb Chetniks, regardless of whether or not they are members of the SRS.

Second, it is stressed that the nature of the Chetnik movement is deeply patriotic and freedom-loving, and that now that the movement has been established it should not be reduced to party, ideological, and political frameworks. The Chetnik movement is fully established today because it is generally accepted in all Serb countries, and in the imperilled Serb countries powerful Serb armies have been formed whose unity in leadership must not be challenged, the statement says. One of the reasons for abolishing the movement is that the enemies of the Serb nation are trying to take advantage of the formal establishment of the SCP to present it as proof that paramilitary formations are active in Serb countries, although Chetnik volunteers act only under the command of the Serbian Army.

The duplicating of work by the committees of the SRS and SCP has occasionally caused misunderstandings, the statement says, and adds as the final reason that members of other political parties have joined the SCP. The same decision by the Central Homeland Administration advises all SCP committees in all Serb countries to integrate with SRS committees.

Reasons Given for Low Flour Prices

94BA0254C Belgrade POLITIKA in Serbo-Croatian 6 Apr 94 p 13

[Article by M. Sasic: "A Sale of White Flour Against a 'Rainy Day'"]

[Text] Pancevo, 5 April—This is the report from Banat: Everyone has flour to sell, but there are few buyers. Immediately after introduction of the superdinar in late January, 50 kilograms of Type 500 white flour could be bought for 25 dinars in the vicinity of Pancevo. Just 10 days later that same sack of flour cost 20 dinars, then 16, and in recent days the same amount of flour has been offered for 13 dinars in a newspaper ad, while farmers at the Pancevo market have sometimes been selling it for even 10 dinars. The man from Omoljica who offered a sack of flour for 13 dinars in the newspaper ad says that last year he planted wheat on the field returned to him, "since that was the simplest thing to do." He had been waiting for the right price, but there is nothing to wait for—13 dinars for a sack of white flour, he says, still allows him to earn something on the deal.

The relatively low purchase price of last year's wheat crop, along with the troubles in collection, had the result that the farmers kept a fairly large portion of the wheat under favorable conditions in silos and waited to see what the government would do. It was expected that with the new harvest a few months away it would be compelled to offer a high price for remaining quantities of wheat. Ratar of Pancevo, one of the largest of our milling industries, received large quantities of farmers' wheat for storage. In return for 100 kilograms of wheat, the farmer received 56 kilograms of Type 500 flour and a bit of bran. But right now Ratar is paying from 0.14 to 0.16 dinars per kilogram for grain. They say at Ratar that some mills have already halted production or will do so in a few days because of the large amount of flour in inventory. They are also fighting considerably more fiercely with one another for the market. While the price of Type 500 Pancevo flour is 0.25 dinars per kilogram, fob the purchaser, there are already mills selling it for 0.21 dinars. You cannot walk down any street in southern Banat this spring without seeing in a window a sign advertising flour at a good price.

Farmers who have several metric tons of wheat and flour stored with milling firms need money for spring planting. To compound their trouble, flour consumption has dropped off considerably. Large trade-union purchases have had the result that there is no family that does not have at least one sack of flour stored away, so that retail purchases have almost died out. We have to assume, then, that the price of that flour stored in the attic "for a rainy day" will drop even further. Especially if weather conditions indicate a good harvest this year, the experts say.

It has turned out that those who traded their flour for fertilizer last summer have fared best. At that time a kilogram of KAN nitrogen fertilizer could be obtained for a kilogram of wheat. Today a kilogram of KAN is 0.33 dinars, which means twice as much as for the same amount of wheat. Thus in these transactions, with the tricky prices, the Pancevo nitrogen fertilizer plant Azotara, trading fertilizer for wheat, became the owner of 65,000 tons of wheat last summer. They say at the fertilizer plant that in spite of the modest price of wheat, they cannot complain, because it made it possible for them to survive the factory's shutdown for six months. The price of gas, the largest item in nitrogen fertilizer production, was considerably lower last year, and so this offset possible large losses in the trade, which the government was pushing. At this point the fertilizer plant still has 20,000 tons of wheat and does not want to sell it cheaper than 0.18 dinars per kilogram. They say, of course, that if they now had the fertilizer which they gave for wheat back then, they would today be the most profitable factory in the area.

Implementation of Greater Serbia Plan Viewed

94BA0244A Trieste REPUBLIKA in Slovene 31 Mar 94 p 7

[Article by Vlado Babic: "The European Race Was Begotten by the Serbs"]

[Text] *The first Serbian rebellion against civilization; nationalism that could be realized.*

The first Serbian rebellion against civilization, as publicist Milomir Maric beautifully described the absurdity of the current implementation of the Serbian national program, has had many predecessors, ideologues, and executors. Let us start with Olga Lukovic-Pjanovic, author of the book The Serbs: The Oldest People, *who stated that Jesus Christ was a Serb and that all the European peoples were derived from Serbs. The painter Milic of Macva stole the discovery of the Sorabs as the ancestral people from the above-mentioned author, and he himself "ascertained" that the Serbs were the center of the world—territorially, linguistically, and by destiny. Among the older authors, Dr. Milovan Grba, in 1920, published a discussion of the Serbs as a special race that differed from others. Vuk Karadzic was also surprised that "the Croats do not want to be Serbs, just because of Roman law and the Catholic religion." Geographer Jovan Cvijic thought that the Croats are "only an appendage of the Serbian people." Maric follows that the red thread of Greater-Serbian nationalism goes from the "plans" of Ilija Garasanin, through the partially fulfilled plan of Vasa Cubrilovic for resettling Albanians from Kosovo to Turkey, to the Serbian Academy of Science and Art memorandum.*

Since the moment when that notorious program was proclaimed their own by the victors at the eighth session and by the SPS [Serbian Socialist Party] party and state apparatus, the war for territory began. The implementation of the program has been taken over by the former JNA [Yugoslav People's Army] and the new "Serbian defenders." Let us look at how General Mladic spoke out. "During the war I broke down as a Communist and a Yugoslav, and I became the biggest Serb. It is only a question of time when I will liberate the Serbian city of Zadar, which the traitorous supreme command of the JNA already prevented me from doing some time ago. Trieste is also an old Serbian city, which will fall into our hands once again. The Serbian army will end the war at the Trieste-Vienna line, like the previous two as well." The justifiably celebrated Dr. Vojislav Seselj, in contrast to Mladic, would satisfy himself with a western border on the Karlobeg-Virovitica line. When the United States threatened to bomb bridges and airports in the Federal Republic of Yugoslavia [FRY], a joke arose precisely on that subject, according to which Zemun and New Belgrade, in the future, will be named Karlobag and Virovitica.

Zeljko "Arkan" Raznjatovic, still one of the tiresomely large number of candidates for the title of the most important Serb, is promising that Jasenovac will not be repeated. "We will no longer be sheep, but rather wolves, or even better, tigers. The blood of Obilic, which does not permit me to possess a house, flows through my veins. With the aid of all our enemies, a Greater Albania in Serbian Kosovo, a Greater Croatia in the Serbian Krajina, and a Greater Bulgaria in Serbian Macedonia are appearing before our very eyes. The Muslims, who are actually Serbian martyrs who are not aware that they are Serbs, have become vampires in Bosnia. Zadar, Sibenik, Dubrovnik, and Split are Serbian cities, where the Catholics moved in by force, and it is high time for us to drive them away from there. We are fighting to restore the borders of the former Yugoslavia, up to Sezana, since those are the Serbian borders. Slovenia will be Serbian Slovenia again, Croatia will be Serbian Croatia, Bosnia will be Serbian Bosnia, and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] will be Serbian Macedonia again. Slovenia is Serbian because I was born in it, and because the Slovenes had sex with our enemies the Ustase. That is why my battle cry is 'F... their mothers and fathers!'" The fact that Arkan has supporters on whom he can rely is also confirmed by a statement by his "Colonel" Mile Ulemek, who, in his cafe in Pazova, strictly forbids serving non-Serbs. It follows from his geopolitical views that "the Croats received a lot of money from abroad in order to do a dirty job on the Serbs." "Since they have not done it yet, they will have to engage in conflict again. They will also try to involve the Hungarians in their work. Then there will also be an explosion in Kosovo. We are just waiting for it! The Albanians are fortunately concentrated in one city, so we will be able to flatten them with the air force in just three hours. Only then will there be a final settling of accounts in Serbia itself. The hungry will attack the rich, who have enriched themselves disgracefully in this war at the expense of the populace. Of course, Arkan and I will defend the exhausted Serbs. We will fight against the rich on the side of the poor until we subjugate Belgrade, the last nest of traitors in the heart of Serbia."

The most serious candidate for the most important Serbian woman is Dr. Biljana Plavsic, vice president of the republic of Srpska. Her racist statements, especially the claim that it would even be worthwhile to sacrifice 6 million Serbs to establish a unified state, in fact, have even been condemned by Milosevic. In view of its life to date and some recent actions, we can justifiably suspect the ethnic purity of "her" state.

In the "world conspiracy" against the "celestial Serbs," only the Greeks and the Russians have proven to be friends, and from time to time it has also been possible to observe signs of Serbian-Jewish friendship. The news that they are preparing to issue the notorious "Protocol of the Elders of Zion" indicates that the paranoia about the world conspiracy is approaching its logical conclusion—anti-Semitism. Does that mean that there has been a lack of claims and evidence about genocide against Albanians, Croats, and Muslims, and that the hostility toward Macedonians, Hungarians, and Slovenes is melting away? Is it only a question of introducing new melodies on the Serbian political scene that are compatible with the new orientation on the Russian political scene?

With Mladic's help, Dr. Radovan Karadzic has gone furthest in carrying out the plan. In order to fulfill Karadjordje's dream, which in Karadzic's opinion is of divine origin, and erase the border on the Drina, the Sarajevo psychiatrist has used all means available. Whether all means will also be permitted in carrying out the Serbian plan for the unification of all Serbs into a single state, however, does not depend solely on the Serbs, although in various stages of its development and implementation it has already been supported by almost all the political parties, the Serbian Orthodox Church, the Serbian Academy of Science and Art, almost the entire intellectual "elite," and the vast majority of Serbian protesters and citizens inside Serbia, and even more outside it. Now others, primarily the great powers, are deciding on the Serbian national program. It will be shown in the very near future whether conclusive action will prevail over verbal support for the generally accepted principles of the UN Charter and the Helsinki Declaration.

The assertion that this moment is the decisive one is also supported by the new mobilization of the Greater-Serbian intellectual elite. A second congress of Serbian intellectuals has been scheduled for the second half of April, at which they are to discuss the Serbian people's right to self-determination and to life in a common state. The meeting has been envisioned as "patriotic resistance to the demonization that has encircled us and is encircling us on all sides." Milosevic, however, is allowing all the above-mentioned people to work for him, while he himself is preparing for various results of the implementation of the Serbian national program. If the international situation allows him, he will, of course, assume the laurels of the unifier of all the Serbian states. Since he would rather have power than citizens, we can believe that with respect to his noticeably more peace-loving and calmer statements, he will certainly not sign anything that could later be used against him, while he is also preparing for other—less comfortable—possibilities.

Development Plans for Industry Detailed

94BA0254D Belgrade POLITIKA in Serbo-Croatian 6 Apr 94 p 13

[Article by M. Momcilovic: "The Courage and Risk of Mesokombinat in Leskovac"]

[Text] Leskovac, 5 April—Mesokombinat of Leskovac has become the new boss of the sheep farm on Cemernik, above Crna Trava, whose capacity has been increased to 4,000 head following reconstruction. This move on the part of the people from Leskovac is risky and brave, to say the least, since that farm—in which the republic invested immense sums—has never operated as it should have. The original investor was the work force of Vlasine-Produkt of Surdilica, which at one time was raising a herd of more than 2,000 sheep there.

Crnotravka of Sastav Reka, the only agricultural organization in Crna Trava Opstina, which is close to the farm, expressed a willingness to take it over, provided of course it was fitted out for the sheep to overwinter. The republic had nothing against that, and it opened its purse for reconstruction of the farm, but Crnotravka, which at that time was part of Delisec of Vladin Han, was not able to develop livestock raising. The farm was vacant for two years, neglected and fleeced to the point where now investments are being made to equip it for the third time.

Inexpensive Source of Raw Materials

A farm on Vlasina experienced a similar destiny. When brucellosis decimated the herd, the people of Surdulica threw up their hands, and Simpo of Vranje jumped in and is now undertaking the development of livestock raising along with other things.

"We are going into the hill-and-mountain region of Crna Trava, we are taking over abandoned facilities in order to round out the process of primary production and processing. We are creating an inexpensive source of raw materials for the production of livestock feed; we want to make full use of the natural resources of this region," says Sreten Ristic, director of Mesokombinat and people's deputy in the Yugoslav Assembly.

Mesokombinat, Ristic adds, intends to develop livestock raising which will include not only the sheep farm on Cemernik, but also small, private sheep and dairy farms, and plans also call for a small horse farm to meet the needs of tourism. Plans also call for production of seed potatoes and silage corn, for which the conditions are ideal, and in the abandoned fittings factory in Crna Trava they will open a plant for processing herbs and edible forest products. Plans call for building a drier and cooler in that facility, and in the future they will have an operation to produce fruit juices and jams.

Crna Trava is ecologically clean, and we will adopt a clean processing operation that will not threaten the environment. We will be involved with mushrooms, blueberries, medicinal herbs, and other edible forest products, Ristic said.

"We are investing in the natural resources, while Mesokombinat is investing knowledge and money. We want to preserve what has been achieved in the past, to employ new people, and to halt the migration," says Milos Jovasevic, manager of Crnotravka.

There Is No Livestock Feed

They do not seem to be very worried at Mesokombinat about going to a place from which others have fled.

"The main problem is livestock feed. We have already undertaken to revitalize the neglected soil, and we have begun improvement of a 380-hectare pasture. We have also prepared 30 hectares of land for the production of seed potatoes and silage corn. In this area there are about 3,000 hectares of forests, pastures, and plowland. All of this is neglected, but it can be put into shape," Sreten Ristic warns.

"Mesokombinat's advantage is that it has its own retail network, so that the route of the finished product to the customer will be shorter, and that also means cheaper. Aside from creating a source of raw materials for their processing plants, this well-known producer and processor of meat will also be involved in a health food program. The Crna Trava climate offers excellent conditions for the production of milk, yogurt, and Kackavalj cheese.

When it completes all these projects, which are already underway, Mesokombinat will round out conditions for development of rural tourism in the area of Crna Trava.

Kosovo

CSCE 'Very Concerned' Over Human Rights

AU2804201194 Paris AFP in English 1957 GMT 28 Apr 94

[Text] Vienna, April 28 (AFP)—The Conference on Security and Cooperation in Europe (CSCE) expressed concern Thursday [28 April] at worsening human rights in the mainly Albanian Serbian province of Kosovo. The international grouping, based in Vienna, has asked authorities in Belgrade to allow the resumption of long-term CSCE missions in the southern province and other mixed areas, the Sandzak and Vojvodina, a statement said.

"The CSCE is very concerned by the deterioration (...) especially the recent suppression of human rights and basic freedoms which have led to increased tension and instability in the region," it said. The body has been notified of many cases of arrests, detentions and arbitary police brutality against the ethnic Albanian majority, "a flagrant violation of the principles of the CSCE and the commitments made by the Serbian authorities," it continued. The resumption of long-term missions, banned by Belgrade last July, "could contribute to the prevention of conflicts in the region," it said.